DRAFT RED HERRING PROSPECTUS
Dated September 24, 2019
Please read Section 32 of the Companies Act, 2013
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC*)
100% Book Built Offer

SAMHI HOTELS LIMITED

Our Company was incorporated as "SAMHI Hotels Private Limited" on December 28, 2010, as a private limited company under the Companies Act, 1956, at New Delhi, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on August 2, 2019, our name was changed to "SAMHI Hotels Limited" and a fresh certificate of incorporation was issued by the RoC on August 16, 2019. For details of the change in the registered office of our Company, see "***History and Certain Corporate Matters***" on page 151.

Corporate Identity Number: U55101DL2010PLC211816
Registered Office: Caspia Hotels Delhi, District Centre Crossing, Opposite Galaxy Toyota, Outer Ring Road, Haider Pur, Shalimar Bagh, New Delhi 110 088, India; **Tel:** +91 11 3981 3500
Corporate Office: 14th floor, Building 10C, Cyber City, Phase II, Gurugram 122 002, Haryana, India; **Tel:** +91 (124) 4910 100
Contact Person: Sanjay Jain, Senior Director - Corporate Affairs, Company Secretary and Compliance Officer; **Tel**: +91 (124) 4910 100
E-mail: compliance@samhi.co.in; **Website**: www.samhi.co.in

OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF SAMHI HOTELS LIMITED ("COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 11,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 19,145,624 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING TO ₹ [●] MILLION, COMPRISING AN OFFER FOR SALE OF UP TO 10,385,721 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY BLUE CHANDRA PTE. LTD., UP TO 4,555,894 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY GOLDMAN SACHS INVESTMENTS HOLDINGS (ASIA) LIMITED, UP TO 2,895,539 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY GTI CAPITAL ALPHA PVT LTD, UP TO 1,067,164* EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY INTERNATIONAL FINANCE CORPORATION, UP TO 120,653 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY ASHISH JAKHANWALA AND UP TO 120,653 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MANAV THADANI (THE "SELLING SHAREHOLDERS"), (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

As on the date of this Draft Red Herring Prospectus, International Finance Corporation holds an aggregate of 1,260,000 8.50% interest bearing fully paid compulsorily convertible debentures of face value of ₹ 1,000 each ("IFC CCDs**") and such IFC CCDs will be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC. For further details, see "**Capital Structure – Notes to Capital Structure – Conversion of outstanding IFC CCDs**" on page 80.*

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES, BY WAY OF A RIGHTS ISSUE TO EXISTING SHAREHOLDERS AND/OR A PRIVATE PLACEMENT TO ANY OTHER PERSON, AGGREGATING UP TO ₹ 4,000 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER CONSTITUTING AT LEAST [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

(1) THE PRICE BAND WILL BE DECIDED BY OUR COMPANY, BLUE CHANDRA PTE. LTD. AND GOLDMAN SACHS INVESTMENTS HOLDINGS (ASIA) LIMITED, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS; AND (2) THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN [●] EDITIONS OF THE [●] (A WIDELY CIRCULATED ENGLISH NATIONAL NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED OFFICE IS SITUATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the other members of the Syndicate.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"), and the Offer constitutes [●]% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, where at least 75% of the Offer will be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category 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 Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer 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 Offer Price. All Bidders (other than Anchor Investors) shall mandatorily participate in this Offer through the Application Supported by Block Amount ("**ASBA**") process, and shall provide details of their respective bank account (including UPI ID for Retail Individual Investors using UPI Mechanism) in which the Bid Amount will be blocked by the SCSBs or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, specific attention is invited to "***Offer Procedure***" on page 326.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1 and the Floor Price and Cap Price are [●] times and [●] times the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company in consultation with the BRLMs), and the Price Band (as decided by our Company, Blue Chandra Pte. Ltd. and Goldman Sachs Investments Holdings (Asia) Limited, in consultation with the BRLMs), in accordance with the SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 100, 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 and/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 this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does 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 26.

ISSUER'S AND SELLING SHAREHOLDERS' 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 Offer, which is material in the context of the Offer, 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. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for only such statements confirmed or undertaken by such Selling Shareholders in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholder and/or its portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to the Company or the other Selling Shareholders in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purpose of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see ***"Material Contracts and Documents for Inspection"*** on page 353.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 22 4336 0000 E-mail: samhi.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**CLSA India Private Limited** 8/F, Dalamal House, Nariman Point Mumbai 400 021 Maharashtra, India Telephone: +91 22 6650 5050 E-mail: samhihotels.ipo@clsa.com Investor Grievance E-mail: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact Person: Prachi Chandgothia SEBI Registration No.: INM000010619	**DSP Merrill Lynch Limited** Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 22 6632 8000 E-mail: dg.samhi_ipo@baml.com Investor Grievance E-mail: dg.india_merchantbanking@baml.com Website: www.ml-india.com Contact Person: Vivek Arora SEBI Registration No.: INM000011625	**Goldman Sachs (India) Securities Private Limited*** Rational House, 951/A Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Telephone: +91 22 6616 9000 E-mail: gs-gssamhiipo@gs.com Investor Grievance E-mail: india-client-support@gs.com Website: www.goldmansachs.com Contact Person: Mrinalini Baral SEBI Registration No.: INM000011054	**Karvy Fintech Private Limited** Karvy Selenium Tower-B Plot 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222 E-mail: samhi.ipo@karvy.com Website: www.karvyfintech.com Investor Grievance E-mail: einward.ris@karvy.com Contact Person: M Murali Krishna SEBI Registration No. INR000000221

BID/OFFER PERIOD

BID/OFFER OPENS ON**	[●]	BID/OFFER CLOSES ON***	[●]

** Goldman Sachs Investments Holdings (Asia) Limited ("**GSA**") is proposing to participate as a Selling Shareholder in the Offer for Sale. Goldman Sachs (India) Securities Private Limited ("**GS Securities**") has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. GSA and GS Securities are associates in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 (the "**SEBI Merchant Bankers Regulations**"). Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, GS Securities would be involved only in the marketing of the Offer.*

*** Our Company in consultation with the BRLMs may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

**** Our Company in consultation with the BRLMs may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms and abbreviations have the following meanings in this Draft Red Herring Prospectus, and references to any statute or rules or guidelines or regulations or policies will include any amendments, clarifications, modifications, replacements or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Unless the context otherwise indicates, all references to "**the Company**", and "**our Company**", are references to SAMHI Hotels Limited, a public limited company incorporated in India under the Companies Act, 1956 with its registered office at Caspia Hotels Delhi, District Centre, Crossing Opposite Galaxy Toyota Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India. Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company and our Subsidiaries (as defined below) on a consolidated basis.*

Company Related Terms

Term	Description
AoA/ Articles of Association or Articles	The articles of association of our Company, as amended
Amendment Agreement	Amendment No.1 dated July 30, 2019 to the Amended and Restated Shareholders' Agreement executed by and amongst Ashish Jakhanwala, Manav Thadani, Blue Chandra, GTI, Shree Naman Developers Private Limited, Thadani Hospitality LLP, Ray Ltd., IFC, GSA and our Company
Argon	Argon Hotels Private Limited
Ascent	Ascent Hotels Private Limited
Audit Committee	The audit committee of our Board, as described in ***"Our Management"*** on page 161
Auditors/ Statutory Auditors	The statutory auditors of our Company, being M/s. B S R & Co. LLP
Barque	Barque Hotels Private Limited
Blue Chandra	Blue Chandra Pte. Ltd.
Board or Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Call Option Agreements	(a) Each of the call option deeds dated December 11, 2015 amongst our Company, GSA and (i) Ashish Jakhanwala, Shree Naman Developers Private Limited and Thadani Hospitality LLP, (ii) Blue Chandra , (iii) GTI, (iv) Ray Ltd. and (v) Manav Thadani, and (b) the call option agreement dated December 11, 2015 amongst our Company, Blue Chandra, GTI, Ashish Jakhanwala and Manav Thadani, collectively
Caspia	Caspia Hotels Private Limited
Chief Executive Officer/CEO	Chief executive officer of our Company
Chief Financial Officer/ CFO	Chief financial officer of our Company
Corporate Office	The corporate office of our Company, situated at 14th floor, Building 10C, Cyber City, Phase II, Gurugram 122 002, Haryana, India
CSR Committee	The Corporate Social Responsibility committee of our Board, as described in ***"Our Management"*** on page 161
Director(s)	The director(s) on our Board of Directors
Equity Shares	The equity shares of our Company of a face value of ₹ 1 each
ESOP – 2016	Employee Stock Option Plan 2016
ESOP – 2019 – I	Employee Stock Option Plan 2019 – I
ESOP – 2019 – II	Employee Stock Option Plan 2019 – II
ESOP – 2019 – III	Employee Stock Option Plan 2019 – III
ESOP Schemes	ESOP – 2016, ESOP – 2019 – I, ESOP – 2019 – II and ESOP – 2019 – III, collectively
Group Companies	In terms of SEBI ICDR Regulations, the term "group companies" includes companies (other than our Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered

Term	Description
	material by our Board, in accordance with the Materiality Policy, as described in "***Our Group Companies***" on page 177
GSA	Goldman Sachs Investments Holdings (Asia) Limited
GTI	GTI Capital Alpha Pvt Ltd
HVS Report	Report titled "India Hospitality Overview" dated September 2019 prepared by HVS
HVS	HVS ANAROCK Hotel Advisory Services Private Limited
IFC	International Finance Corporation
IFC CCDs	8.50% interest bearing fully paid compulsorily convertible debentures of our Company of face value ₹ 1,000 each, issued to IFC
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in "***Our Management***" on page 161
Materiality Policy	The policy adopted by our Board on September 21, 2019 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in ***"Our Management"*** on page 161
Paulmech	Paulmech Hospitality Private Limited
Registered Office	The registered office of our Company, situated at Caspia Hotels Delhi, District Centre, Crossing Opposite Galaxy Toyota, Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India
Restated Financial Statements	Restated consolidated summary financial information of our Company and our Subsidiaries, which comprises of the restated consolidated summary statement of assets and liabilities as at and for the three months ended June 30, 2019 and June 30, 2018, and for the Fiscals ended March 31, 2019, 2018 and 2017, the restated consolidated summary statement of profit and loss, the restated consolidated summary statement of changes in equity and restated consolidated summary statement of cash flows for the three months ended June 30, 2019 and June 30, 2018 and for the Fiscals ended March 31, 2019, 2018 and 2017 for our Company and our Subsidiaries, on a consolidated basis, during the relevant periods, read along with all the schedules and notes thereto prepared under the Ind AS and included in "***Financial Statements***" on page 180
RoC/ Registrar of Companies	Registrar of Companies, National Capital Territory of Delhi and Haryana, at Delhi
SAMHI Ahmedabad	SAMHI Hotels (Ahmedabad) Private Limited
SAMHI Gurgaon	SAMHI Hotels (Gurgaon) Private Limited
SAMHI JV	SAMHI JV Business Hotels Private Limited
Selling Shareholder(s)	Blue Chandra, GTI, IFC, GSA, Ashish Jakhanwala and Manav Thadani
Shareholders	The holders of the Equity Shares from time to time
Shareholders' Agreement/ SHA	Amended and Restated Shareholders' Agreement dated December 11, 2015 executed by and amongst Ashish Jakhanwala, Manav Thadani, Blue Chandra, GTI, Shree Naman Developers Private Limited, Thadani Hospitality LLP, Ray Ltd., IFC, GSA and our Company, as amended by the Amendment Agreement
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in ***"Our Management"*** on page 161
Subsidiaries	Subsidiaries of our Company, namely, SAMHI JV, Ascent, SAMHI Ahmedabad, SAMHI Gurgaon, Caspia, Barque, Paulmech and Argon, as described under "***History and Certain Corporate Matters – Subsidiaries of our Company***" on page 157
Waiver Letter	Waiver Letter dated July 30, 2019 executed by and amongst Ashish Jakhanwala, Manav Thadani, Blue Chandra, GTI, Shree Naman Developers Private Limited, Thadani Hospitality LLP, Ray Ltd., IFC, GSA and our Company

Term	Description
Xenon	Xenon Hotels Private Limited, an erstwhile subsidiary of our Company, prior to the scheme of amalgamation between Xenon and Argon, our Subsidiary, effective from August 7, 2019. For details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc.***" on page 153

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the respective Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotted/Allotment/Allot	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations 2018 and this Draft Red Herring Prospectus
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer 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 will be a price equal to or higher than the Offer Price but not higher than the Cap Price.
Anchor Investor Portion	Up to 60% of the QIB Category 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 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 made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account and will include amounts blocked by SCSBs upon acceptance of UPI Mandate Request
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application ASBA Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 326
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under SEBI ICDR

Term	Description
	Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of the Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located). In case of any revisions, the extended Bid/Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the other members of the Syndicate. Our Company in consultation with the BRLMs may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located)
Bid/Offer Period	Except in relation to Bids received from the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Our Company in consultation with the BRLMs may consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
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 Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer, in this case being Kotak Mahindra Capital Company Limited, CLSA India Private Limited, DSP Merrill Lynch Limited and Goldman Sachs (India) Securities Private Limited* **GSA is proposing to participate as a Selling Shareholder in the Offer for Sale. GS Securities has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. GS Securities and GSA are associates in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, GS Securities would be involved only in the marketing of the Offer.*
Broker Centres	Broker centres of the Registered Brokers where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges

Term	Description
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Circulars on Streamlining of Public Issues	Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
Client ID	Client identification number of the Bidder's beneficiary account
CLSA	CLSA India Private Limited
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with SEBI Act 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 SEBI
Collecting 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 no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, finalized by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, and bank account details and UPI ID, as applicable
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and /or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
DP	Depository Participant

Term	Description
DP ID	Depository Participant's identity number
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated September 24, 2019 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares are offered and the size of the Offer, and includes any addenda or corrigenda thereto
DSPML	DSP Merrill Lynch Limited
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS or NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement dated [●], to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and Banker(s) to the Offer for collection of the Bid Amounts from Anchor Investors and where applicable remitting refunds, if any, to such Bidders, on the terms and conditions thereof
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	Fresh issue of [●] Equity Shares by our Company aggregating up to ₹ 11,000 million to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and the Prospectus
GS Securities	Goldman Sachs (India) Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RII Allottees	The maximum number of Retail Individual Investors who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
NBFC-SI	Systemically important non-banking financial company, as covered under Regulation 2(1)(ss)(xiii) of the SEBI ICDR Regulations
Net Proceeds	Proceeds of the Offer (including proceeds from the Pre-IPO Placement, if any) that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer Expenses to the extent applicable to the Fresh Issue. For further details, see "***Objects of the Offer***" on page 90
Non-Institutional Category	The portion of the Offer, being not more than 15% of the Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer	The public issue of [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] each, aggregating ₹ [●] million comprising the Fresh Issue and the Offer for Sale Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue will be

Term	Description
	reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid up equity share capital of our Company
Offer Agreement	The agreement dated September 24, 2019 entered into amongst our Company, the Selling Shareholders and the BRLMs
Offer Price	The final price (within the Price Band) at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date.
Offered Shares	Up to 19,145,624 Equity Shares offered as part of the Offer for Sale, comprising up to 10,385,721 Equity Shares by Blue Chandra, up to 4,555,894 Equity Shares by GSA, up to 2,895,539 Equity Shares by GTI, up to 1,067,164 Equity Shares by IFC, up to 120,653 Equity Shares by Ashish Jakhanwala and up to 120,653 Equity Shares by Manav Thadani
OFS/ Offer for Sale	The offer for sale of up to 19,145,624 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders
Pre-IPO Placement	A further issue of Equity Shares, by way of a rights issue to existing shareholders and/or a private placement to any other person, aggregating up to ₹ 4,000 million, which may be undertaken by our Company, in consultation with the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC
Price Band	Price band ranging from a Floor Price of ₹ [●] per Equity Share to a Cap Price of ₹ [●] per Equity Share, including revisions thereof, if any. The Price Band will be decided by our Company, Blue Chandra and GSA, in consultation with the BRLMs, and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national newspaper) and [●] editions of [●] (a widely circulated Hindi national newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is situated), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Sections 26 and 32 of the Companies Act 2013 and the SEBI ICDR Regulations, including any addenda or corrigenda thereto and containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	The bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act 2013 to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
QIB Category	The portion of the Offer, being at least 75% of the Offer, or [●] Equity Shares, which shall be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013, the SEBI ICDR Regulations which will not have complete particulars of the price at which the Equity Shares shall be allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto

Term	Description
Refund Account	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank	The bank which is a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated September 23, 2019, entered into between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Karvy Fintech Private Limited
Retail Category	The portion of the Offer, being not more than 10% of the Offer, or [●] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid lot, subject to availability in the Retail Category
Retail Individual Investors/ RIIs	Bidders (including HUFs and Eligible NRIs), whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB category and Non-Institutional Investors bidding in the Non-Institutional category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during Bid/ Offer period and withdraw their Bids until Bid/ Offer Closing Date
Self Certified Syndicate Banks or SCSBs	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
Share Escrow Agent	[●]
Share Escrow Agreement	The agreement to be entered into by and among the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which will be included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Investors and carry out any other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in this case being [●]
Stock Exchanges	Together, the BSE and NSE
Syndicate Agreement	The agreement dated [●], entered into amongst the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bids cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the	Collectively, the BRLMs and the Syndicate Members

Term	Description
Syndicate	
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholders, Registrar to the Offer and the Underwriters, on or after the Pricing Date but before filing of the Prospectus
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI
UPI ID	Unified Payments Interface Identification
UPI Mandate Request	A request (intimating the Retail Individual Investors, by way of a notification on the UPI application and by way of a SMS directing the Retail Individual Investors to such UPI application) to the Retail Individual Investors initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period , “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all trading days excluding Sundays and bank holidays in India in accordance with the Circulars on Streamlining of Public Issues

Conventional and General Terms and Abbreviations

Term	Description
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and category II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The Consolidated FDI Policy, effective from August 28, 2017, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	Copyright Act, 1957
Depositories Act	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder

Term	Description
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (*formerly Department of Industrial Policy and Promotion*), GoI
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EIA Notification	Environment Impact Assessment Notification, 2006, issued by the Ministry of Environment, Forest and Climate Change
Environment Protection Act	Environment Protection Act, 1986
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPF	Employees' Provident Fund
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESI	Employees' State Insurance
FCNR Account	Foreign Currency Non-Resident (Bank) Account established in accordance with provisions of FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
Financial Year/fiscal/ Fiscal Year/ FY/ F.Y.	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations) registered with the SEBI
GDP	Gross Domestic Product
GoI/ Central Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu undivided family(ies)
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act 2013 and referred to in the Ind AS Rules
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
MCA	The Ministry of Corporate Affairs, Government of India
Mutual Funds	Mutual funds registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net asset value
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account

Term	Description
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
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. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC or Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A of the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
U.S. GAAP	United States Generally Accepted Accounting Principles
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended
U.S. QIBs	"Qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act
U. S. Securities Act	United States Securities Act, 1933, as amended
US$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Industry Related Terms

Definitions for the Business section

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td>Adjusted EBITDA</td><td>Earnings before interest, tax, depreciation, amortization and exceptional items. It is calculated by taking net profit after tax and adding back tax expense/ (benefits), finance costs, depreciation, amortization expense and exceptional items</td></tr>
<tr><td>Average Cost per Key</td><td>Ratio of ‘Gross Block & Intangible Assets’ as per the Restated Financial Statements as at March 31, 2019 (considering the fair value designated as deemed cost of Gross Block & Intangible Assets on the date of transition to Ind AS at April 1, 2015) and further decreased for ‘Right to Use of Land & Building’ and Revaluation Reserves for Revaluations undertaken post transition to Ind AS at April 1, 2015 upon ‘total operating keys’ as on March 31, 2019</td></tr>
<tr><td>F&B</td><td>Food and Beverage</td></tr>
<tr><td>Hotels under Argon</td><td>Refer to definition of Ramp-Up Assets</td></tr>
<tr><td>Hotels under Barque</td><td>Refer to definition of Ramp-Up Assets</td></tr>
<tr><td>Hyatt</td><td>Hyatt India Consultancy Private Limited</td></tr>
<tr><td>IHG</td><td>InterContinental Hotels Group (India) Private Limited</td></tr>
<tr><td>KPI</td><td>Key Performance Indicator</td></tr>
<tr><td>Mature Assets</td><td>Hotel assets that have been operational for at least two complete financial years as of March 31, 2019, subsequent to the later of completion, acquisition, renovation and/or rebranding. The following hotel assets are Mature Assets:
<table>
<tr><th>S. No.</th><th>Hotel Brand</th><th>City</th><th>Location</th><th>Segment</th></tr>
<tr><td>1.</td><td>Hyatt Regency</td><td>Pune</td><td>Nagar Road</td><td>Upper Upscale</td></tr>
<tr><td>2.</td><td>Sheraton</td><td>Hyderabad</td><td>Gachibowli</td><td>Upper Upscale</td></tr>
<tr><td>3.</td><td>Courtyard by Marriott</td><td>Bangalore</td><td>Outer Ring Road</td><td>Upscale</td></tr>
<tr><td>4.</td><td>Hyatt Place</td><td>Gurgaon</td><td>Udyog Vihar</td><td>Upscale</td></tr>
<tr><td>5.</td><td>Four Points by Sheraton</td><td>Ahmedabad</td><td>City Center</td><td>Mid-scale</td></tr>
<tr><td>6.</td><td>Four Points by Sheraton</td><td>Visakhapatnam</td><td>City Center</td><td>Mid-scale</td></tr>
<tr><td>7.</td><td>Fairfield by Marriott</td><td>Bangalore</td><td>City Center</td><td>Mid-scale</td></tr>
<tr><td>8.</td><td>Fairfield by Marriott</td><td>Bangalore</td><td>Outer Ring Road</td><td>Mid-scale</td></tr>
</table></td></tr>
<tr><td>Marriott</td><td>Marriott Hotels India Private Limited</td></tr>
<tr><td>Marriott operated hotels</td><td>All hotels and resorts in India whose operation is supervised, directed and controlled by Marriott or its affiliates using the brand names owned by or available to Marriott or its affiliates</td></tr>
<tr><td>Ramp-Up Assets</td><td>Newer hotels that have been operational for less than two complete financial years as of March 31, 2019, subsequent to the later of completion, acquisition, renovation and/or rebranding. The following hotel assets are Ramp-Up Assets:
<table>
<tr><th>S. No.</th><th>Hotel Brand</th><th>City</th><th>Location</th><th>Segment</th></tr>
<tr><td>1.</td><td>Renaissance</td><td>Ahmedabad</td><td>SG Highway</td><td>Upper Upscale</td></tr>
<tr><td>2.</td><td>Fairfield by Marriott</td><td>Coimbatore</td><td>Airport</td><td>Mid-scale</td></tr>
<tr><td>3.</td><td>Fairfield by Marriott</td><td>Chennai</td><td>Sriperumbudur</td><td>Mid-scale</td></tr>
<tr><td>4.</td><td>Fairfield by Marriott</td><td>Pune</td><td>Kharadi</td><td>Mid-scale</td></tr>
<tr><td>5.</td><td>Fairfield by Marriott</td><td>Bangalore</td><td>Whitefield</td><td>Mid-scale</td></tr>
<tr><td>6.</td><td>Fairfield by Marriott</td><td>Chennai</td><td>OMR</td><td>Mid-scale</td></tr>
<tr><td>7.</td><td>Fairfield by Marriott</td><td>Goa</td><td>Anjuna</td><td>Mid-scale</td></tr>
<tr><td>8.</td><td>Holiday Inn Express</td><td>Ahmedabad</td><td>SG Road</td><td>Mid-scale</td></tr>
<tr><td>9.</td><td>Holiday Inn Express</td><td>Bangalore</td><td>Whitefield</td><td>Mid-scale</td></tr>
<tr><td>10.</td><td>Holiday Inn Express</td><td>Pune</td><td>Hinjewadi</td><td>Mid-scale</td></tr>
<tr><td>11.</td><td>Holiday Inn Express</td><td>Gurgaon</td><td>Sohna Road</td><td>Mid-scale</td></tr>
<tr><td>12.</td><td>Holiday Inn Express</td><td>Pune</td><td>Pimpri</td><td>Mid-scale</td></tr>
<tr><td>13.</td><td>Holiday Inn Express</td><td>Hyderabad</td><td>Hi-tech City</td><td>Mid-scale</td></tr>
<tr><td>14.</td><td>Holiday Inn Express</td><td>Nashik</td><td>Ambad</td><td>Mid-scale</td></tr>
<tr><td>15.</td><td>Holiday Inn Express</td><td>Chennai</td><td>OMR</td><td>Mid-scale</td></tr>
<tr><td>16.</td><td>Holiday Inn Express</td><td>Hyderabad</td><td>Banjara Hills</td><td>Mid-scale</td></tr>
<tr><td>17.</td><td>Holiday Inn Express</td><td>Bangalore</td><td>Tumkur Road</td><td>Mid-scale</td></tr>
<tr><td>18.</td><td>Caspia</td><td>New Delhi</td><td>Shalimar Bagh</td><td>Mid-scale</td></tr>
<tr><td>19.</td><td>Caspia Pro</td><td>Greater Noida</td><td>Knowledge Park</td><td>Mid-scale</td></tr>
</table>
Hotels under Barque are hotels at serial number 8 to 17 and 19 and Hotels under Argon are hotels at serial number 4, 5, 6, 7 and 18</td></tr>
</table>

Term	Description
Total Income from Assets	Total Income from Assets represents revenue generated from our hotel operations (namely room revenue, food & beverage revenue, and recreation and other services) as well as other income which is directly attributable to our hotel operations
Total Income from Mature Assets	Total Income from Mature Assets relates to income derived from individual hotel assets which were considered Mature Assets as of March 31, 2019
Total Income from Ramp-Up Assets	Total Income from Ramp-Up Assets relates to income derived from individual hotel assets which were considered Ramp-Up Assets as of March 31, 2019

Definitions for the Industry section

Term	Description
ARR	Average Room Rate represents hotel room revenues divided by total number of room nights sold in a given period (including rooms that were available for only a certain portion of that period)
Average Occupancy/ Occupancy	Average Occupancy represents the total number of room nights sold expressed as a percentage of the total number of room nights available at our hotels
Branded/ Chain Affiliated Hotels	Hotels affiliated to any domestic or international hotel brand. These hotels are marketed under their brand/ affiliation
CY	Calendar Year
Economic Impact Report	World Travel and Tourism Council's Economic Impact 2019 Report
Economy/ Budget	These are typically two-star hotels providing functional accommodations and limited services, while being focused on price consciousness
FTA	Foreign Tourists Arrivals
GOP	Gross Operating Profit as per USHA (Uniform Systems of Hotel Accounting) is defined as Total Income less departmental and undistributed operating expenses
Independent Hotels	An independent hotel is a hotel that is independently owned and operated. It doesn't allow any other proprietors to use its name/ brand. Independent hotels are likely to operate in single or limited number of markets probably may be with limited services or product
Luxury	Typically refers to the absolute top tier hotels. In India, these would generally be classified as five-star deluxe hotels
MICE	Acronym for Meetings, Incentives, Conferences and Events
Mid-scale	These are usually three-star hotels with distinctly moderate room sizes, organized and pricing. Hotels in the category may have restricted services and facilities
Organised Hotels	Includes Branded/ Chain Affiliated Hotels and Independent Hotels
PPP	Purchasing Power Parity
Rebranding	An exercise when a hotel property gets affiliated to a different brand/ affiliation. This also includes changing from Independent Hotel to Chain Affiliated Hotel.
RevPAR	Revenue per available room is calculated by multiplying ARR charged and the Average Occupancy achieved
Staff-to-Room Ratio/ Staff-to-Key Ratio/ Staff Per Key Ratio	Staff-to-Key Ratio is calculated by dividing total staff (both employees and personnel engaged on a contractual basis) by number of available keys in our hotel portfolio
Upper-Upscale	These are hotels which are more moderately positioned and priced than the top tier hotels. Hotels in this category would normally have multiple dinning and recreational facilities with large and opulent public areas. In India, these would generally be classified as five-star hotels
Upscale	These hotels are full-service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upper upscale hotels. In India, these would generally be classified as four-star hotels

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act 2013, the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"), the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**"), the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***", "***Industry Overview***", "***Key Regulations and Policies in India***", "***Financial Statements***", "***Outstanding Litigation and Material Developments***" and "***Government and Other Approvals***", on pages 340, 103, 129, 148, 180, 297 and 302, respectively, will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "**India**" are to the Republic of India. All references in this Draft Red Herring Prospectus to the "**U.S.**", "**USA**" or "**United States**" are to the United States of America.

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

Financial Data

Unless stated or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements included in this Draft Red Herring Prospectus are as at and for the three months ended June 30, 2019 and June 30, 2018 and the Fiscals ended March 31, 2019, March 31, 2018 and March 31, 2017, and have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act 2013 and the guidance notes issued by ICAI. For further information, see "***Financial Information***" on page 180.

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. Accordingly, all references to a particular fiscal or financial year are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are differences between the Ind AS, the International Financial Reporting Standards (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act 2013 and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the differences between the financial data (prepared under Ind AS) and IFRS/USGAAP , nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data.

Unless the context otherwise indicates, 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 26, 107 and 264, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements.

Consequent to the introduction of Goods and Service Tax ("**GST**") central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties which used to be included in revenue prior to July 1, 2017. Accordingly, our results of operations and our EBITDA for Fiscal 2018, Fiscal 2019 are not directly comparable with Fiscal 2017.

Certain figures contained in this Draft Red Herring Prospectus, including our financial statements, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In this Draft Red Herring Prospectus, any discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Information included in the section "***Our Business***" in relation to certain operating data not otherwise included in the Restated Financial Statements and certain business information and data (such as aggregate and asset-wise number of keys, Occupancy, Average Cost per Key and Staff-to-Key ratio, among others) have been reviewed and verified by Nangia & Co. LLP, Chartered Accountants, and confirmed by way of their certificate dated September 23, 2019.

Industry and Market Data

For the purpose of confirming our understanding of the industry in connection with the Offer, we have commissioned a report titled "India Hospitality Overview" dated September 2019 ("**HVS Report**") prepared by HVS. HVS has required us to include the following disclaimer in connection with the HVS Report:

"*HVS does not accept any liability arising out of reliance by any person or entity on contents of its report, or any information contained in its report, or for any errors or omissions in its report. Any use, reliance or publication by any person or entity on contents of its report or any part of it is at their own risk. In no event shall HVS or its directors or personnel be liable to any party for any damage, loss, cost, expense, injury or other liability that arises out of or in connection with this report including, without limitation, any indirect, special, incidental, punitive or consequential loss, liability or damage of any kind.*

Our report is based on information available to us at the time of preparation of the report and economic, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. Should circumstances change significantly, or additional information become available, after the issuance of this report, the conclusions and opinions expressed herein may require revision. There is no requirement for us to update this report in any such circumstances. The statements and opinions expressed in this report are made in good faith and in the belief that such statements and opinions are not false or misleading. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in this report. This report does not purport to provide all of the information the recipient may require in order to arrive at a decision.

Forward-Looking Statements

This report does not purport to provide all of the information the recipient may require in order to arrive at a decision. This report contains estimates / projections / outlook and statements that may be regarded as forward looking statements. These statements are based on a number of assumptions, expectations and estimates which, while considered by us to be reasonable, are inherently subject to significant uncertainties and contingencies many of which are beyond the control of ourselves or SAMHI Hotels Limited (on whose behalf this report has been prepared) or which may reflect future business decisions which are subject to change. Recipients of this information are advised that the estimates / projections / outlook may be regarded as inherently tentative.

Due to the subjective judgments and inherent uncertainties of statements about future events, there can be no assurance that the future results, or subsequent estimates / projections / outlook will not vary significantly from the estimates / projections / outlook and other statements set out in the report.

This disclaimer must accompany every copy of this report, which is an integral document and must be read in its entirety."

Additionally, the HVS Report commissioned by us includes extracts from the report titled "*India Office Market – CBRE Q2 2019*" dated July 18, 2019, and commercial office data for key Indian cities, prepared by CBRE South Asia Private Limited ("**CBRE**"). In this regard, CBRE has issued the following disclaimer:

"*The CBRE reports are based on public information considered to be reliable and other market assumptions and CBRE does not warrant the accuracy or completeness of the information contained therein. Users are advised to read the entire reports and conduct their own research/ due diligence before relying on the contents of the reports. Any person's reliance on the reports is on an as is where is basis with no specific representations and warranties by CBRE. CBRE owes no person or entity any contractual or tort liability with respect to their reliance on the reports*."

Aside from the above, unless otherwise stated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from publicly available sources of industry data. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently prepared or verified by us, the Selling Shareholders or the Syndicate 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. 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 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 market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Internal Risk Factors – This Draft Red Herring Prospectus contains information from third party industry sources, including the report commissioned from HVS, which has not independently been verified by us. Prospective investors are advised not to place undue reliance on such information***" on page 45. Accordingly, investment decisions should not be based solely on such information.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs.**" are to Indian Rupees, the official currency of the Republic of India. All references to "**U.S. Dollar**" or "**USD**" or "**US$**" are to United States Dollar, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated. One million represents 10 lakhs or 1,000,000 and ten million represents 1 crore or 10,000,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains translations of U.S. Dollar into Indian Rupees. These convenience translations should not be construed as a representation that those U.S. Dollars could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth as of the dates indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. Dollar.:

(in ₹)

Currency	Exchange Rate as on June 30, 2019*	Exchange Rate as on March 31, 2019**	Exchange Rate as on, March 31, 2018***	Exchange Rate as on March 31, 2017
1 US$	68.92	69.17	65.04	64.84

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

**Exchange rate as on June 28, 2019, as FBIL reference rate is not available for June 30, 2019 and June 29, 2019, being a Sunday and Saturday, respectively.*

***Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday and Saturday, respectively.*

****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 public holidays, respectively.*

Disclaimer of Marriott, one of the hotel operators

"*The Marriott group (which includes Marriott Hotels India Private Limited or any of its affiliates) is not a promoter or sponsor of our Company. The Marriott group does not, or will not, vouch for the accuracy and completeness of any statements or information included in this Draft Red Herring Prospectus and shall not be held responsible for the same. Further, our Company has no rights or interests over the intellectual property owned by Marriott or its affiliates.*"

Disclaimer of Hyatt, one of the hotel operators

"Neither Hyatt India Consultancy Private Limited nor any of its affiliates are associated with this Draft Red Herring Prospectus or with the proposed initial public offering of shares of the Company, in any manner whatsoever. Hyatt Regency™ and Hyatt Place™ and related marks are trademarks of Hyatt Corporation or its affiliates."

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which include statements with respect to our business strategy, our revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements include statements with respect to our business strategy, our expected revenue and profitability, our goals and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements can generally be identified by words or phrases such as ***"aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "will continue", "seek to", "will pursue"*** or other words or phrases of similar import. Similarly, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This could be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes in the industry we operate in 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 that may have an impact on our business or investments, monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates and prices, the general performance of Indian and global financial markets, changes in the competitive landscape and incidence of any natural calamities and/or violence. Significant factors that could cause our actual results to differ materially include, but are not limited to:

- Termination or non -renewal of our hotel operator and related agreements with Marriott, Hyatt and IHG (and their affiliates);
- Unfavourable or unintended results of our strategy of expansion through acquisitions of hotels or properties;
- Inability to attract and retain qualified personnel, including our senior management;
- Inability to meet our obligations (including financial and other covenants) under our debt financing arrangements;
- Significant portion of our revenues being derived from a few hotels and from hotels concentrated in a few geographical regions;
- Inability to comply with the terms of the lease agreements that we enter into with third parties, inability to renew existing lease agreements or enter into new lease agreements;
- Failure to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required for our business operations;
- Significant portion of our revenues being derived from corporate customers from whom demand for our services may reduce due to deterioration of their financial conditions or prospects;
- Reliance on third parties for the quality of services at our hotels and on the brand of third party operators; and
- Delays in construction of new hotel buildings or in the renovation of existing hotel properties.

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 26, 107 and 264, 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 future gains or losses could materially differ from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statements based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these 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.

Neither our Company, the Selling Shareholders, nor the Syndicate, or any of their respective affiliates have 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 requirements of SEBI, our Company and the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer. Each Selling Shareholder (severally and not jointly) will ensure that investors in India are informed of material developments in relation to the statements relating to and undertakings confirmed or undertaken by such Selling Shareholder and its portion of the Offered Shares in the Red Herring Prospectus, from the date thereof, until the receipt of final listing and trading approvals from the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled "***Risk Factors***", "***Objects of the Offer***", "***Our Business***", "***Offer Procedure***" and "***Main Provisions of the Articles of Association***" on pages 26, 90, 107, 326 and 340, respectively.

Summary of Business

We are one of India's leading hotel owner and asset manager with a portfolio of 27 operating hotel assets comprising of 4,048 keys, as on June 30, 2019. We have a diverse geographic presence spanning 12 of India's key urban consumption centers including Delhi, Bangalore, Hyderabad, Chennai and Pune. For our hotels, we have tied up with well-established brands and hotel operators, namely, Marriott, IHG and Hyatt. Success of our acquisition-led growth strategy has helped us become India's third-largest hotel asset owner, by number of keys, and the fastest growing hotel owner, by number of keys added per calendar year.

Summary of Industry

The hotel sector is often considered the barometer of the larger economy and is supported by multiple levers including a rapidly growing economy, increasing urbanization, expansion of the consumer base alongside income levels and improvement in transport & tourism infrastructure. Key drivers for demand within the industry include grade-A commercial office space absorption and airline traffic growth, with major Indian office markets continuing to witness strong leasing momentum and airline passenger movement. The trend of acquisitions of operating and brownfield hotel assets has been prevailing in the market of late as means to scale up rapidly and reduce development risk.

Promoters

Our Company is a professionally managed company and does not have an identifiable promoter in terms of SEBI ICDR Regulations and the Companies Act 2013.

Offer Size

Offer	[●] Equity Shares, aggregating ₹ [●] million
of which	
Fresh Issue(1)	[●] Equity Shares, aggregating up to ₹ 11,000 million
Offer for Sale(2)	Up to 19,145,624 Equity Shares, aggregating ₹ [●] million (comprising up to 10,385,721 Equity Shares aggregating to ₹ [●] million by Blue Chandra, up to 4,555,894 Equity Shares aggregating to ₹ [●] million by GSA, up to 2,895,539 Equity Shares aggregating to ₹ [●] million by GTI, up to 1,067,164 Equity Shares aggregating to ₹ [●] million by IFC, up to 120,653 Equity Shares aggregating to ₹ [●] million by Ashish Jakhanwala and up to 120,653 Equity Shares aggregating to ₹ [●] million by Manav Thadani

(1) *The Offer has been authorized by our Board pursuant to its resolution dated September 2, 2019 and by a resolution of our Shareholders adopted at the meeting held on September 5, 2019.*

(2) *Each of the Selling Shareholders confirms that it has authorized the sale of its respective portion in the Offer for Sale. For details see "**Other Regulatory and Statutory Disclosures**" on page 308.*

The Offer shall constitute [●]% of the post-Offer paid up equity share capital of our Company.

Objects of the Offer

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

Particulars	Amount (₹ in million)
Repayment/prepayment of certain indebtedness availed by our Company and our Subsidiaries (including interest)	9,500
Payment of accrued interest on the IFC CCDs	602.48*
General corporate purposes**	[●]

This is the amount of accrued interest on the IFC CCDs as on June 30, 2019 and is subject to increase depending on the timing of conversion of the IFC CCDs (which shall be prior to the filing of the RHP with the RoC). For details, see "Objects of the Offer – Payment of interest on the IFC CCDs**" on page 96.*

***The aggregate amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.*

Pre-Offer shareholding of the Selling Shareholders

The equity shareholding of our Selling Shareholders as on the date of this Draft Red Herring Prospectus and pre-Offer (including the maximum number of Equity Shares that any such Selling Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Selling Shareholder) is set forth below:

S. No.	Selling Shareholder	Number of Equity Shares of face value of ₹ 1 each held as on date of this DRHP	Percentage of equity share capital held as on date of this DRHP (%)	Pre-Offer Equity Shares of face value of ₹ 1 each	Percentage of pre-Offer equity share capital (%)
1.	Blue Chandra Pte. Ltd.	37,641,140	49.35%	37,641,140#	45.44%#
2.	Goldman Sachs Investments Holdings (Asia) Limited	22,023,692	28.88%	22,023,692#	26.59%#
3.	GTI Capital Alpha Pvt Ltd	13,747,395	18.02%	13,747,395#	16.60%#
4.	International Finance Corporation*	-	-	Up to 6,565,230*	7.93%
5.	Ashish Jakhanwala	878,290	1.15%	878,290#	1.06%#^
6.	Manav Thadani	878,290	1.15%	878,290#	1.06%#

*#In terms of the Call Option Agreements, these Shareholders (as well as Ray Ltd., Shree Naman Developers Private Limited and Thadani Hospitality LLP) may acquire or transfer Equity Shares through relevant inter-se transfers in accordance with the terms of the relevant Call Option Agreement. Since, as on the date of this Draft Red Herring Prospectus, it cannot be determined whether the options under the respective Call Option Agreements will be triggered, or if triggered, the number of Equity Shares that will be the subject of such call options, the pre-Offer shareholding of these Shareholders cannot be estimated and provided (to the extent of any Equity Shares that they may transfer or acquire pursuant to the Call Option Agreements). The options under the Call Option Agreements will either be exercised or will terminate, as applicable, prior to filing of the Red Herring Prospectus with the RoC. Accordingly, the pre-Offer shareholding of these Shareholders will be updated in the Red Herring Prospectus. For details of the Call Option Agreements, see "**History and Certain Corporate Matters – Agreements with Key Managerial Personnel, Director or any other employee**" on page 159.*

Assuming conversion of the 1,260,000 IFC CCDs into 6,565,230 Equity Shares, which is the maximum number of Equity Shares that the IFC CCDs may convert into. The specific number of Equity Shares that such IFC CCDs will convert into shall be determined at the time of conversion, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms of the IFC CCDs. For details, see "Capital Structure – Notes to Capital Structure – Conversion of outstanding IFC CCDs**" on page 80.*

Summary of Consolidated Financial Information

(₹ in million, unless otherwise specified)

Particulars	Three months ended June 30, 2019	Three months ended June 30, 2018	Fiscal 2019	Fiscal 2018	Fiscal 2017
Share capital	74.90	74.90	74.90	74.90	74.90
Net worth	4,791.37	7,927.71	5,376.30	9,176.13	11,055.66
Total income	1,472.43	971.66	4,900.98	4,201.63	3,571.70
Profit/(loss) after tax	(586.42)	(1,254.19)	(3,034.14)	(1,855.56)	(1,202.19)
Earnings per share (basic) (in ₹)	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)
Earnings per share (diluted) (in ₹)	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)
Net asset value per equity share (in ₹)	63.97	105.85	71.78	122.52	147.61
Total borrowings*	21,249.14	18,624.03	20,704.18	18,061.49	13,150.61
Current borrowings	331.98	866.23	557.21	1,354.84	488.09
Non-current borrowings	20,711.84	17,432.12	19,923.90	16,319.29	12,446.11
Current portion of non-current borrowings (including interest accrued and due on borrowings)	205.32	325.68	223.07	387.36	216.41

**Inclusive of IFC CCDs that shall convert prior to filing of the Red Herring Prospectus with the RoC.*

Notes:

1. *Net Worth = equity share capital + other equity (including securities premium and surplus/ (deficit)*
2. *The above ratios have been computed on the basis of the Restated Financial Statements*
3. *Pursuant to the extraordinary general meeting of the shareholders held on August 2, 2019, the shareholders approved the following:*
   a) *increase of the existing authorized share capital of the Company from ₹ 100.00 million to ₹ 130.00 million; and*

b) *sub-division of the existing authorized share capital of the Company comprising of 10,000,000 equity shares of ₹ 10 each to 100,000,000 Equity Shares of ₹ 1 each.*
4. *For the purposes of calculation of Net Asset Value per Share and Earnings per Share, the per share data, has been adjusted retrospectively to give the effect of share split.*
5. *The Board at its meeting held on August 22, 2019 accorded the rights issue of 1,374,014 Equity Shares of the Company having a face value of ₹ 1 each at a price of ₹ 208.81 aggregating to ₹ 286.91 million to the equity shareholders of the Company. Such issue has been fully subscribed and Equity Shares have been alloted. The impact of rights issue has not been considered for the above calculation.*

Qualifications of the Auditors which have not been given effect to in the Restated Financial Statements

Our Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Subsidiaries and our Group Companies as on the date of this Draft Red Herring Prospectus is provided below:

Name of Entity*	Criminal proceedings	Tax proceedings (including property tax)	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million)**
Company					
By the Company	*Nil*	*Nil*	*Nil*	1	12.11 (*which has been paid under protest*)
Against the Company	*Nil*	1	*Nil*	*Nil*	18.13
Directors					
By the Directors	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Directors	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Subsidiaries					
By the Subsidiaries	*Nil*	1	*Nil*	1	3.56 (*which has been paid under protest*)
Against the Subsidiaries	1	12	3	2	113.85
Total	**1**	**14**	**3**	**4**	**147.65**

**There is no pending litigation involving our Group Companies which will have a material impact on our Company.*
***To the extent quantifiable.*

For further details of the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" on page 297.

Risk factors

Please see "***Risk Factors***" on page 26.

Summary of contingent liabilities of our Company

The following is a summary table of our contingent liabilities as of June 30, 2019:

(₹ in million)

Particulars	As of June 30, 2019
Disputed Income Tax Demands	24.01
Disputed Service Tax Demands	29.83
Others	67.11
Total	**120.95**

For details, see "***Financial Statements***" on page 180.

Summary of Related Party Transactions

(₹ in million)

Particulars		Three months ended June 30, 2019	Fiscals		
Nature of transaction	Related parties with whom transactions have taken place		2019	2018	2017
Interest income on unsecured loan	Key managerial personnel and enterprises in which key managerial personnel have control or exercise significant influence	0.76	3.03	3.03	3.03
Key managerial personnel compensation	Key managerial personnel and enterprises in which key managerial personnel have control or exercise significant influence	6.21	25.61	26.01	25.95
Staff welfare expense	Key managerial personnel and enterprises in which key managerial personnel have control or exercise significant influence	-	0.68	-	-
Advertisement and sales promotion	Key managerial personnel and enterprises in which key managerial personnel have control or exercise significant influence	-	-	-	0.58
Unsecured loan given – deemed investment	Subsidiary/ step-down subsidiary	-	322.11	583.91	414.60
Income from overdraft facility to subsidiaries at concessional rate	Subsidiary/ step-down subsidiary	-	4.11	19.48	-
Unsecured loan given – loan portion	Subsidiary/ step-down subsidiary	88.90	1,081.10	2,620.97	483.30
Repayment of unsecured loan	Subsidiary/ step-down subsidiary	-	603.14	2,529.66	28.50
Unsecured loan received - loan portion	Subsidiary/ step-down subsidiary	-	158.29	-	-
Concessional interest component of loan from subsidiary (net of tax)	Subsidiary/ step-down subsidiary	-	314.29	-	-
Interest expense	Subsidiary/ step-down subsidiary	4.48	5.62	-	-
Interest income on unsecured loan	Subsidiary/ step-down subsidiary	72.67	318.18	237.46	139.38
Modification of financial assets	Subsidiary/ step-down subsidiary	-	1,322.27	-	-
Loss on modification of financial assets	Subsidiary/ step-down subsidiary	-	-	214.12	-
Unsecured loan given - directly recognised as deemed investment	Subsidiary/ step-down subsidiary	212.50	596.12	-	-
Receipt of unsecured loan given - directly adjusted through deemed investment	Subsidiary/ step-down subsidiary	-	79.67	-	-
Modification of fully compulsory convertible debentures	Subsidiary/ step-down subsidiary	-	955.76	-	-
Gain/(loss) on fair valuation of 10% fully compulsorily convertible debentures	Subsidiary/ step-down subsidiary	-	29.72	118.13	(14.99)
Gain on early repayment of unsecured loan	Subsidiary/ step-down subsidiary	-	195.50	564.28	13.29
Reimbursement of expenses	Subsidiary/ step-down subsidiary	2.54	34.33	1.54	0.45

Particulars		Three months ended June 30, 2019	Fiscals		
Nature of transaction	Related parties with whom transactions have taken place		2019	2018	2017
Sale of services - recreation and other services (excluding tax)	Subsidiary/ step-down subsidiary	69.27	450.05	333.96	172.30
Receipt of services	Subsidiary/ step-down subsidiary	-	-	-	0.05
Reimbursement of expenses	Subsidiary/ step-down subsidiary	-	0.90	-	-
Financial guarantee received	Subsidiary/ step-down subsidiary	-	(20.00)	20.00	-
Financial guarantee provided	Subsidiary/ step-down subsidiary	-	-	-	16.90
Conversion of 10% fully compulsory convertible debentures into equity shares	Subsidiary/ step-down subsidiary	-	-	-	418.68

For details of the related party transactions and as reported in the Restated Financial Statements, see "***Financial Information***" on page 180.

Financing arrangements

There have been no financing arrangements whereby 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 business of the financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by each of the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, no other Selling Shareholder has acquired Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus. The weighted average price at which Equity Shares were acquired by the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
Goldman Sachs Investments Holdings (Asia) Limited	903,932	208.81
GTI Capital Alpha Pvt Ltd	447,515	208.81

* *As certified by Nangia & Co. LLP, Chartered Accountants, by way of their certificate dated September 23, 2019.*

Average cost of acquisition of equity shares of the Selling Shareholders

The average cost of acquisition per equity share to the Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name	No. of Equity Shares held	Average cost of acquisition per equity share (in ₹)*
Blue Chandra Pte. Ltd.	37,641,140	127.01
Goldman Sachs Investments Holdings (Asia) Limited	22,023,692	208.81
GTI Capital Alpha Pvt Ltd	13,747,395	127.94
International Finance Corporation**	-	-
Ashish Jakhanwala	878,290	25.02
Manav Thadani	878,290	25.02

**Pursuant to shareholders' resolution dated August 2, 2019 each equity share of our Company of face value of ₹ 10 each was split into 10 equity shares of ₹ 1 each; As certified by Nangia & Co. LLP, Chartered Accountants, by way of their certificate dated September 23, 2019.*
***As of the date of this Draft Red Herring Prospectus, IFC does not hold any Equity Shares. The 1,260,000 IFC CCDs will be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC.*

Details of pre-IPO placement

Our Company, in consultation with the BRLMs, may consider a further issue of Equity Shares, by way of a rights issue to existing shareholders and/or a private placement to any other person, aggregating up to ₹ 4,000 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO placement, subject to the Offer constituting at least [●]% of the post-Offer paid up equity share capital of our Company. Further, the 1,260,000 IFC CCDs will be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC and Equity Shares may be issued by our Company on exercise of stock options held by employees in accordance with ESOP – 2016.

Issue of equity shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split/ Consolidation of equity shares in the last one year

Pursuant to the shareholders' resolution dated August 2, 2019, each equity share of the Company of face value of ₹ 10 each was split in 10 equity shares of face value of ₹ 1 each, therefore an aggregate of 7,489,669 issued and paid up equity shares of ₹ 10 each were split into 74,896,690 equity shares of ₹ 1 each.

SECTION II - 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 our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**" and "**Management's Discussions and Analysis of Financial Condition and Results of Operations**" on pages 107, 129 and 264, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*Prospective investors should pay particular attention to the fact that our Company and Subsidiaries are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates 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 details, see "**Forward-Looking Statements**" on page 18.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from our Restated Financial Statements.

*The industry information contained in this section is derived from a report titled "India Hospitality Overview" dated September 2019 prepared by HVS ANAROCK Hotel Advisory Services Private Limited ("**HVS**") and commissioned by our Company in connection with the Offer ("**HVS Report**"). Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information.*

Internal Risk Factors

1. ***We have entered into hotel operator and related agreements with Marriott, Hyatt and IHG (and their affiliates) to receive operation and marketing services for our hotels. If these agreements are terminated or not renewed, our business, results of operations and financial condition may be adversely affected.***

   As of June 30, 2019, we have a portfolio of 27 operating hotels of which 13 are operated by Marriott, two are operated by Hyatt and 10 are operated by IHG, comprising a total of 3,769 keys or 93.1% of our total keys. As such, we derive a substantial majority of our revenue from hotels operated by third-party operators.

   Our hotel operator services agreements are for terms generally ranging from 20 to 30 years, with the exception of one hotel operator services agreement whereunder the term is 10 years. These agreements typically provide the respective hotel operators with day-to-day operational rights, including setting price and room rate schedules, managing food and beverage service, procurement of inventories, supplies and services, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires and carrying out marketing, sales, reservations and advertising operations for the hotels, among others. The hotel operators also assist in establishing overall human resource policies consistent with their standards and formulate and establish training and motivational programs for employees at the hotels. We work closely with the respective hotel operators to finalize the overall budget and costs for our hotels. For our hotels, we are generally obliged to pay fees for technical design services, periodic operating fees including management fees and license fees for the use of certain trademarks based on invoices raised, and commercial remittances against invoices for advertising, sales and marketing, promotion, information technology services and related expenses incurred by the hotel operator or their affiliates. The aforementioned management fee and license fee compensate the hotel operators based on a fixed percentage of the gross revenue of the hotel and/or a specified portion of gross operational profits as incentive fees, subject to terms of the operator services agreements.

Pursuant to such hotel operator services agreements, we are required to maintain good and marketable title in the freehold property and hotel building, subject to any encumbrances that may be created for financing facilities availed by us or our Subsidiaries. We are also required to maintain adequate insurance, including covering the hotels, as specified under the hotel operator services agreements. There are also restrictions on the sale or transfer of the hotels (except among certain specified affiliates) other than in the manner specified in the hotel operator services agreements. We are also subject to stringent brand standards, as applicable in the case of each of our hotel operators. These include operational standards such as quality of food and beverages, cleanliness and service to clients and physical standards such as quality of hotel, furniture and fixtures. In accordance with the terms of our hotel operator services agreements, we may also be required to incur additional capital expenditure in order to comply with the policies, standards, technologies and practices adopted by our hotel operators globally. Certain of our hotel operator services agreements require us to indemnify the hotel operators from any liability for third party claims arising out of or in relation to the hotel operator services agreements, except where there is any gross negligence, willful misconduct, omission or fundamental breach on the part of the hotel operators.

We cannot assure you that we will be able to fully comply with all the terms of our contractual agreements entered into with the hotel operators. In the event that any of our agreements are terminated due to our non-compliance or for any other reason, we may be required to pay certain damages to the hotel operators. Further, in the event of termination we may be unable to benefit from any marketing expenditure and other operating expenditure incurred towards the relevant operator’s brand. In addition, we may be unable to find another hotel operator for that property in a timely manner, or at all, and may have to operate that property ourselves. On expiry of tenure, our hotel operator services agreements are subject to renewal by mutual consent. The hotel operator services agreement for our *Four Points by Sheraton* hotel in Ahmedabad will be due for renewal in December 2023 and we cannot assure you that we will be able to renew this agreement at commercially reasonable terms. If we are unable to renew our hotel operator services agreements or enter into new agreements with hotel operators of similar repute for our properties on commercially acceptable terms or if our hotel operator services agreements are terminated prior to their tenure, our business, results of operations and financial condition may be adversely affected.

2. ***We pursue a strategy of expansion through acquisition of hotels or properties and we may not be able to successfully consummate favourable transactions, or such transactions may not yield their intended results.***

Since our inception, we have acquired 25 hotel assets, of which 23 are operational, as of June 30, 2019 and two are under development in Kolkata and Mumbai and are expected to be commissioned by September 2020 and March 2021, respectively. These 23 operating hotel assets contributed 68.4% and 65.5% of our Total Income from Assets, for the three months ended June 30, 2019 and Financial Year 2019, respectively. We intend to continue to evaluate potential acquisition of hotels or properties that would further our strategic objectives. However, we may not be able to identify suitable hotels or properties, consummate transactions on terms that are favourable to us, or achieve expected returns and other benefits. Any future acquisitions or investments may require significant capital and may expose us to potential risks, including risks associated with unforeseen or hidden liabilities, undisclosed notices and disputes, non-compliances with applicable law, incurring additional debt, risks that acquired hotels will not achieve anticipated performance levels, profitability, diversion of management attention and resources from our existing business, difficulty in integrating the acquired hotel assets with our existing operational infrastructure, and inability to generate sufficient revenues to offset the costs and expenses of the acquisition. Further, it may not be possible to achieve the expected level of synergies after integration and the actual cost of delivering such benefits may exceed our anticipated costs. If an acquisition is unsuccessful, we may lose the value of our investment, which could adversely affect our business, results of operations and financial condition.

In the past, certain of our Ramp-Up Assets, subsequent to the completion of the renovation and/ or rebranding, have witnessed improvement in their non-financial parameters such as occupancy and RevPAR. See, "***Our Business – Our Strategies – Capitalize on the Growth of our Ramp-Up Assets***" on page 114. However, we cannot assure you that we will continue to experience the same level of growth in such hotel assets. Our inability to execute our growth strategy in a timely manner could adversely affect our business, results of operations and financial condition.

3. ***Our operations are dependent on our ability to attract and retain qualified personnel, including our senior management and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.***

Our managerial and other employees manage our hotels and interact with our guests on a daily basis. They are critical to maintaining the quality and consistency of our services and reputation and the loss of the services of our key personnel may adversely affect our business and operations. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. We have experienced significant attrition of employees during the Financial Years 2019, 2018 and 2017. Therefore, it is important for us and our hotel operators to attract qualified managerial and other employees who have relevant experience in the hospitality industry. Competition for qualified personnel with relevant industry experience in India is intense and there may be a limited number of such qualified individuals in the cities in which we operate or where we intend to expand. Moreover, it may require a long period of time to hire and train replacement personnel when our employees terminate their employment with us. Further, the levels of employee compensation may also increase more rapidly than in the past for us to retain our employees and attract new ones.

Further, our performance depends largely on the efforts and abilities of our Key Managerial Personnel, including our Managing Director and Chief Executive Officer, Ashish Jakhanwala, our Chief Financial Officer, Rajat Mehra, our Vice President – Asset Management, Vinay Gupta, our Vice President – Investments, Gaurav Sharma and our Vice President - Corporate Strategy, Gyana Das. Many members of our management team have been actively involved in our business since the initial years of our operations. We believe that the inputs and experience of our Key Managerial Personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. We may experience changes in our key management in the future for reasons beyond our control and we cannot assure you that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. Any inability on our part to attract and retain qualified personnel and senior management could adversely affect our business, results of operations and financial condition.

In addition, in terms of agreements entered into with some of our lenders, Ashish Jakhanwala is required to continue to remain our Managing Director and Chief Executive Officer during the tenure of such loans. In the event that we are unable to retain him in this capacity for any reason, this will amount to an event of default under the relevant loan agreements and may consequently trigger cross default provisions under other loan agreements as well. Further, Ashish Jakhanwala is entitled to severance payments and our Company is required to arrange for the purchase of his Equity Shares, in the event that his employment with our Company is terminated under certain circumstances. For further details, see "***Our Management – Service contracts with Directors***" on page 166.

4. ***Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

As of June 30, 2019, we had outstanding borrowings (including current and non-current borrowings, current portion of non-current borrowings as well as interest accrued and due on borrowings) of ₹ 21,249.14 million on a consolidated basis, which includes ₹ 1,862.48 million of IFC CCDs which shall be converted prior to filing of the Red Herring Prospectus with the RoC. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. We may also incur additional indebtedness in the future. Our current or future level of leverage could have significant consequences for our shareholders and our future financial results and business prospects, including increasing our vulnerability to a downturn in business in India and limiting our ability to acquire new hotels and pursue growth plans. It may also require us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cash-flows to fund capital expenditures and growth initiatives, meet working capital requirements and use for other general corporate purposes or make dividend payouts. We propose to utilize ₹ 9,500.00 million of our Net Proceeds to repay/prepay certain indebtedness availed by our Company and our Subsidiaries (including accrued interest). We also propose to utilize a part of our Net Proceeds for payment of accrued interest on the IFC CCDs. The amount of accrued interest on the IFC CCDs as on June 30, 2019 is ₹ 602.48 million and is subject to increase depending on the timing of conversion of the IFC CCDs (which shall be prior to the filing of the RHP with the RoC). For further details of the proposed objects of the Offer, see "***Objects of the Offer***" on page 90.

We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or proposed borrowings or fund other liquidity needs. If we fail to meet our payment obligations or otherwise default under the financing agreements governing our existing indebtedness, the relevant lenders will have the right to accelerate such indebtedness and exercise other rights and remedies against us.

Additionally, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, any of which could adversely affect our business and financial condition. Some of our financing agreements require us to obtain prior written consent from our lenders for, among other things:

- change in the capital structure of our Company or our Subsidiaries, as applicable;
- reduction or change in the Company's shareholding in the Subsidiary, as applicable;
- change in shareholding pattern or change in control or management;
- cessation of Ashish Jakhanwala from the position of Managing Director and Chief Executive Officer of the Company;
- change in the composition of the board of directors;
- formulation or entering into any scheme of amalgamation, reconstruction, demerger, merger, consolidation, or compromise;
- declaration or payment of dividend;
- raising of new loans; and
- making any amendments to the memorandum and articles of our Company or our Subsidiaries, as applicable.

In addition, certain terms of our borrowings require us to comply with covenants and conditions such as maintaining a specific RevPAR or maintaining certain financial ratios, including debt to EBITDA ratios and debt service coverage ratios, which are tested periodically, either on a quarterly, half-yearly or annual basis. Currently our Subsidiaries, Caspia and SAMHI Ahmedabad are not in compliance with covenants under certain financing arrangements requiring them to maintain debt service coverage ratio and specified RevPAR. In particular, under financing agreements executed for (i) our hotel at Visakhapatnam, wherein financial covenants are tested on an annual basis, we had breached the debt service coverage ratio condition in Financial Year 2019; and (ii) two of our hotels at Ahmedabad, wherein the covenants are tested on a semi-annual basis, we had breached covenants relating to maintaining of specified minimum RevPAR and debt service coverage ratio in Financial Year 2019. The existence of such defaults under the financing agreements has been communicated to the respective lenders and they have not declared an event of default in relation thereto. We have addressed the non-compliances by providing additional security by way of creating fixed deposits and providing a shortfall undertaking, as required by such lenders, pursuant to which we have received waivers or confirmations that there is no outstanding breach under the respective financing agreements or that the relevant lenders are satisfied with the additional security created. However, such remedies are only for past defaults and we cannot assure you that we will not breach these or other covenants in the future or be able to procure corresponding waivers. For instance, the financing agreements executed for our hotels in Ahmedabad mentioned above will require testing of various financial parameters in September 2019. As on June 30, 2019, the total outstanding debt with respect to the financing agreements executed for these two hotels in Ahmedabad was ₹ 1,466.23 million and we believe we will not be in compliance with certain covenants, such as our covenants to maintain specified minimum RevPAR at the applicable testing date. In addition, unless we are able to amend these financing agreements or receive relevant waivers, we expect that we will continue to be in breach of such covenants and we cannot assure you that we will receive relevant waivers.

As of the date of this Draft Red Herring Prospectus, none of our lenders have required us to repay any part of our borrowings or undertaken any other enforcement action as a result of any such non-compliances. Any failure to satisfactorily comply with any condition or covenant (including technical defaults) under our financing agreements or any new financing agreements we may enter into in the future may lead to an event of default which may result in actions including termination of one or more of our credit facilities, acceleration of amounts due under such facilities, imposition of penalty interest, as well as trigger cross-defaults under certain of our other financing agreements which may result in the recalling of the loans provided under those financing agreements. Any of these factors could have an adverse effect on our financial condition, cash flows and prospects as well as our ability to meet our payment obligations under our debt financing agreements.

Further, we have granted security interests over certain of our assets, including our hotels and charge over operating cash flows and book debts, in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, results of operations and financial condition. In addition to such security interest, we have also provided a corporate guarantee for a loan facility availed by our Subsidiary, Ascent. Also, Paulmech, our Subsidiary has provided a corporate guarantee for the loan facility availed by its holding company and one of our Subsidiaries, Barque. Any defaults under these financial agreements could trigger invocation of such guarantees and as a result, our business, results of operations and financial condition may be adversely affected.

5. ***A significant portion of our revenues are derived from a few hotels and from hotels concentrated in a few geographical regions and any adverse developments affecting such hotels or regions could have an adverse effect on our business, results of operation and financial condition.***

Our Mature Assets in aggregate contribute 69.4%, 78.8% and 79.2% of our Total Income from Assets for the three months ended June 30, 2019, Financial Years 2019 and 2018, respectively. In particular, one of our hotels in Pune, contributed to 16.2%, 19.0% and 19.1% of our Total Income from Assets for the three months ended June 30, 2019, Financial Years 2019 and 2018, respectively. One of our hotels in Bangalore contributed to 15.0%, 16.3% and 16.1% of our Total Income from Assets for the three months ended June 30, 2019, Financial Years 2019 and 2018, respectively. One of our hotels in Hyderabad contributed to 15.1%, 15.7% and 14.2% of our Total Income from Assets for the three months ended June 30, 2019, Financial Years 2019 and 2018, respectively. Any decrease in revenues from these hotels, including due to increased competition or supply, or reduction in demand, in markets in which these hotels operate, may have an adverse effect on our business, results of operation and financial condition.

Further, any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting these hotels or the States where they are located, may adversely affect our business. Changes in the policies of the state or local governments of the regions where these hotels are located, including any increase in property tax may require us to incur significant capital expenditure and change our business strategy. We cannot assure you that we will be able to address our reliance on these few hotels and hotels located in these regions, in the future.

6. ***Certain of our hotels are located in buildings which have been leased to us by third parties. If we are unable to comply with the terms of the lease agreements, renew our agreements or enter into new agreements, our business, results of operations and financial condition may be adversely affected.***

As of June 30, 2019, 10 of our hotel assets are located in buildings which have been leased to us by third parties and certain floors that form part of one of our hotels in Hyderabad are on lease, for a term typically ranging from 20 years to 60 years, with the exception of one of our leases which is valid for 99 years. Our lease rental expenses (including lease expense for our corporate office) accounted for 0.5%, 0.7%, 0.8% and 0.9% of our Total Income for the three months ended June 30, 2019 and for the Financial Years 2019, 2018 and 2017, respectively. In the event that any lease deed is terminated due to our non-compliance with its terms, or not renewed, we will be unable to utilize such hotels and we may lose part or all of our investment made in such hotel. We cannot assure you that we will be able to fully comply with all the terms of the lease deeds, which we have entered into in relation to such hotels, renew such agreements or enter into new agreements in the future, on terms favorable to us, or at all. We may also be required to expend time and financial resources to locate suitable land or hotels as a replacement. We may be unable to relocate a hotel to an alternate location in a timely manner, or at all, and we cannot assure you that a relocated hotel will not require significant expenditure, or be as commercially viable.

In the event a lease deed is terminated prior to its tenure, or if it is not renewed, or if we are required to cease business operations at a hotel, our business, results of operations and financial condition may be adversely affected. Further, if the vacated hotel is leased or sold to a competitor, we may also face increased competition in that geographic location, which could adversely affect our market share.

In respect of our under development hotel assets, while we own the land on which the *Holiday Inn Express Kolkata New Town* is being commissioned, we have entered into an agreement to lease for the Holiday Inn Express Mumbai Goregaon. Additionally, we have entered into an agreement to lease for our expansion plan pertaining to our operating *Holiday Inn Express Bengaluru Whitefield ITPL* hotel. The acquisition of leasehold rights over these properties is subject to execution of a lease deed upon completion of certain specified conditions by the lessor(s). There can be no assurance that we will be able to execute lease deeds in a timely manner or at all. If we fail to execute any of these lease deeds, we may be required to identify a suitable location to relocate such hotel in a timely manner, which would expend time and money. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all. This could adversely affect our business, results of operations and financial condition.

7. ***We have experienced negative cash flows from operating activities and net losses in the past. Any negative cash flows in the future would adversely affect our operations and financial condition.***

Our net cash used by operating activities for the three months ended June 30, 2018 was ₹ 58.79 million. If we experience any negative cash flows in the future, this could adversely affect our results of operations and financial condition. For further details, see "***Financial Statements***" and "***Management's Discussions and Analysis of Financial Condition and Results of Operations***" on pages 180 and 264, respectively.

We also had a net loss of ₹ 586.42 million, ₹ 3,034.14 million and ₹ 1,855.56 million for the three months ended June 30, 2019, Financial Year 2019 and Financial Year 2018, respectively. We cannot assure you that we will not incur losses in the future.

8. ***Our Company and our Subsidiaries are involved in certain legal proceedings. An adverse outcome in any of these proceedings may adversely affect our profitability, reputation, business, results of operations and financial condition.***

In the ordinary course of our business, our Company and our Subsidiaries are involved in certain legal proceedings, which are pending at varying levels of adjudication before different forums. The summary of the outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company and our Subsidiaries. Based on the Materiality Policy, all pending litigation involving our Company, Subsidiaries or Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount involved in any such pending litigation is in excess of ₹ 10.00 million, or any such litigation, an adverse outcome of which would materially and adversely affect our business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

A summary of the proceedings involving our Company, our Subsidiaries and our Directors is provided below:

Name of Entity*	Criminal proceedings	Tax proceedings (including property tax)	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million)**
Company					
By the Company	*Nil*	*Nil*	*Nil*	1	12.11 (*which has been paid under protest*)
Against the Company	*Nil*	1	*Nil*	*Nil*	18.13

Name of Entity*	Criminal proceedings	Tax proceedings (including property tax)	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in million)**
Directors					
By the Directors	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Directors	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Subsidiaries					
By the Subsidiaries	*Nil*	1	*Nil*	1	3.56 (*which has been paid under protest*)
Against the Subsidiaries	1	12	3	2	113.85
Total	**1**	**14**	**3**	**4**	**147.65**

**There is no pending litigation involving our Group Companies which will have a material impact on our Company.*
***To the extent quantifiable.*

Involvement in such proceedings could divert our management's time and attention, and consume financial resources. Further, an adverse judgment in these proceedings could have an adverse impact on our business prospects, results of operations, reputation and financial condition. For further details, in relation to the proceedings involving our Company and our Subsidiaries, see "***Outstanding Litigation and Material Developments***" on page 297.

We cannot assure you that any of the outstanding litigation matters will be settled in favour of our Company or our Subsidiaries, as applicable, or that no additional liability will arise out of these proceedings. Additionally, in certain cases where legal proceedings were already outstanding at the time that we acquired the relevant Subsidiary or hotel asset, while we may have the right to be indemnified by the previous owners in terms of the acquisition agreements we have entered into, we cannot assure you that we will be able to successfully claim indemnity for any liability that arises on us on account of such legal proceedings.

9. ***In the event we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.***

Our operations are subject to extensive government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our hotel assets including, without limitation, sanction of building plans, occupancy certificates, trade licenses, FSSAI licenses, shops and establishments registrations, licenses to sell liquor and environmental approvals and clearances. For details of approvals relating to our business and operations, see "***Government and Other Approvals***" on page 302.

While we have obtained a number of approvals required for our operations, certain key approvals for which we have submitted applications for renewal are currently pending. For further details on pending approvals, see "***Government and Other Approvals***" on page 302. In addition, we may need to apply for more approvals, including the renewal of approvals which may expire from time to time, and approvals in the ordinary course of business. Any delay in the issuance of such licenses or approvals, especially licenses which are required to be renewed for an operating hotel, may adversely impact the revenue of such hotel. We also appoint third parties for obtaining certain licenses and approvals for our operations and any deficiency in providing such services or any breach of law by any such third party in this regard may affect our reputation, operations and financial condition.

We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, in a timely manner or at all, our business may be adversely affected. For example, in the past, upon submission of an application for renewal of the consent to operate, our Subsidiary, Barque received a show cause notice dated November 13, 2018, pursuant to provisions of the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1971 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, from the Maharashtra Pollution Control Board alleging certain non-compliances noted from the application and consequently the renewal application for the consent to operate was not processed. While we have addressed the authority's concerns and filed a fresh application, we cannot assure you that the approval will be granted to us in a timely manner or at all. In addition, in relation to our hotels which are located in buildings which have been leased to us by third parties, certain licenses and approvals are obtained and maintained by the owners of the leased hotels. Any failure on the part of the owners of such leased hotels to obtain and renew such approvals, may adversely impact the operations at such leased hotels.

Further, the approvals required by us are subject to numerous eligibility conditions or ongoing compliance and we cannot assure you that these would be received or not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, 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 adversely affect our business.

10. ***We derive a significant portion of our revenue from corporate customers, and the loss of such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations and financial condition.***

We derive a significant portion of our revenue from corporate customers, including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks. Consequently, any reduction in growth or a slow-down in the business of such corporate customers, could result in a reduction of their requirement for our services. Further, 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 or our conferencing and meeting facilities may decrease from business travelers and corporate customers. Similarly, changes in business spending and preferences of our corporate customers due to evolving cost of travel, spending habits and budgeting patterns may lead to a change in the perceived attractiveness of our hotels and services. Currently, a majority of our hotels are located at important business and financial hubs of India, however in the future such business hubs may shift, within a city or interstate, and as a result our hotel locations may not be as attractive to business travelers and corporate customers.

We cannot assure you that we will be able to maintain historic levels of business from corporate customers in the future. The loss of a significant number of corporate customers coupled with our inability to acquire new corporate customers, or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations and financial condition.

11. ***We rely on third parties for the quality of services at our hotels and our hotels are operated under the brands of third party operators. Any adverse impact on the reputation of our hotels, or the brands under which they operate, or a failure of quality control systems at our hotels could adversely affect our business, results of operations and financial condition.***

The performance and quality of services at our hotels are critical to the success of our business. Our hotels are in the upper upscale, upscale and mid-scale hotel segments and customers expect high levels of service quality. Any incident where our hotels lack, or are perceived to lack, such standards may adversely affect our reputation. Quality standards depend significantly on the effectiveness of quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hotels operators. At certain of our hotels, we are also dependent on third party service providers for providing certain ancillary guest services such as laundry, health club, maintenance, security and chauffeur services.

Any real or perceived failure, deficiency or decrease in the quality of services rendered at our hotels whether on account of the hotel operators, or any third party service provider, could adversely affect our reputation, dilute the impact of our branding and marketing initiatives and result in negative reviews and feedback from our guests on online travel portals or social media and may cause guests to choose the services of our competitors.

Our hotels are operated and marketed under and we benefit from agreements entered into with Marriott, Hyatt and IHG for use of their respective global brands such as *Sheraton*, *Courtyard by*

Marriott, Renaissance, Fairfield by Marriott, Four Points by Sheraton (each owned by Marriott), *Hyatt Place, Hyatt Regency* (each owned by Hyatt or its affiliates) and *Holiday Inn Express* (owned by IHG). In the event these agreements are not renewed upon expiry, or if they are terminated prior to the expiry of their tenure, we will be unable to use such brands and loyalty programs to market our properties. Any change in the ownership of our hotel operators on account of sale or scheme of arrangement or merger may affect our ability to continue to use the brand and services of the respective hotel operator. Similarly any untoward incident in any other hotels operated by our hotel operators which leads to negative publicity may also affect the reputation and operations of our hotels. Further, we may seek to rebrand our hotel assets or reposition our properties by using alternate brands, subject to the terms of our existing operator services agreements with Marriott, Hyatt and IHG. In the event we are unable to execute agreements with brands of a similar or higher positioning as our current brands, we may be required to incur additional expenditure on account of such rebranding exercises and our business, results of operations and financial condition may be adversely affected.

12. ***Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or intend to acquire in connection with the development or acquisition of new hotels.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. In relation to land owned by our Subsidiaries on which our hotel assets are located, certain parts of the premises (excluding land on which the hotel building is located), are currently the subject of disputes on title between the seller and third parties, which may have an impact on the land that we own. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subjected to encumbrances that we are unaware of. Any defects in, or irregularities of, title or leasehold rights that we enjoy may prejudice our ability to continue to operate our hotels on such land and require us to write off substantial expenditures in respect of establishing such hotels. Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property’s chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to the land on which our hotels are or will be situated may arise. Also, such disputes, whether resolved in our favor or not, may divert management’s attention, harm our reputation or otherwise disrupt our business.

While we obtain title opinions from local counsel and relevant experts on the properties over which our hotels are located, we may not be able to assess, identify or address all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights.

13. ***We are exposed to risks associated with the ownership and development of our hotel assets. Delays in the construction of new buildings or in the renovation of our existing properties may have an adverse effect on our business, results of operations and financial condition.***

As of June 30, 2019, we have a portfolio of 27 operating hotels, comprising 4,048 keys across 12 key urban consumption centres across India. We are also in the process of commissioning two additional hotels comprising a total of 223 keys as well as expanding our facilities at *Hyatt Regency Pune* (16 new keys) and *Holiday Inn Express Bengaluru, Whitefield ITPL* (54 new keys). The development and maintenance of hotels subjects us to several risks, including:

- identifying, conducting diligence on and ascertaining title rights associated with strategically located properties;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to real estate development or construction projects;
- availability, terms and conditions associated with and timely receipt of regulatory approvals, the denial of which could delay or prevent a hotel from becoming operational and if granted, may be subject to onerous conditions requiring us to alter the design or operational parameters of the hotel;
- the cost and timely completion of construction (including unanticipated risks beyond our control, such as weather conditions or labor suspension, shortages of materials or labor and construction cost overruns);
- our dependency on the third parties whom we contract to construct and renovate our hotels, including their ability to meet our anticipated timelines, quality and budget expectations;
- design or construction defects that could result in additional costs associated with repair, delay or the closing of part, or all of a hotel during such repair period;
- environmental, health and safety issues, including potential personal injuries to workers, site accidents and spread of viruses;
- availability of adequate electricity and water to effectively operate;
- natural disasters such as fires, dust storms and earthquakes; and
- generating insufficient cash from operations, or an inability to obtain the necessary debt or equity financing on satisfactory terms, to consummate a construction or renovation project.

Should any of these risks materialize, we could face unanticipated delays in the development or renovation of our properties as well as increase in our budgeted expenditure for such activities. We could also risk losing all or a part of the capital we have already invested in a property, including on account of having to write off investments made, or we may have to make further unforeseen investments, which may have a material adverse effect on our business, results of operations and financial condition.

14. ***Statements as to the months in which our hotels under development are expected to be commissioned and the number of keys expected in such hotels are based on management estimates and have not been independently appraised.***

The expected month of commissioning for our hotels under development, comprising one hotel each at Mumbai and Kolkata, aggregating to a total of 223 keys and completion of planned expansion of our existing operating hotels, presented in this Draft Red Herring Prospectus, is based on management estimates and has not been independently appraised. The expected date of opening, number of keys, 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 delay or inability in obtaining the required consents and approvals. Investors are cautioned to not place undue reliance on these estimates in their evaluation of our business, prospects and results of operation. See also "***Forward Looking Statements***" on page 18.

As of June 30, 2019, we also operate two hotels comprising a total of 279 keys under our owned brands, Caspia and Caspia Pro. We have entered into binding hotel operator services agreements with Marriott dated November 24, 2017 and IHG dated November 23, 2017 to renovate and re-launch these hotels as *Fairfield by Marriott* and *Holiday Inn Express* hotels, respectively by June 2021. We cannot guarantee that we would be able to successfully transition operation of these hotels and our failure in this regard may have adverse consequences for us, including termination of such hotel operator services agreement.

15. ***Our operations entail certain fixed and recurring costs, and our inability to effectively manage such costs may have an adverse effect on our business, results of operations and financial condition.***

Our operations entail certain fixed costs such as costs incurred towards the maintenance of our hotel assets, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses and insurance payments. Further, the hotel operator services agreements we have entered into with Marriott, Hyatt and IHG are structured to include periodic payments based on an agreed percentage of earnings from the respective hotel, whereas the lease deeds we have entered into in relation to our leased hotels, generally include periodic payments based on an agreed percentage of earnings from the respective hotel subject to a minimum guaranteed amount, in certain cases, during the initial term of the lease deeds. We may also have to incur costs towards periodic renovation, 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. Consequently, we may be unable to reduce fixed and recurring costs in a timely manner, or at all, in response to a reduction in the demand for our services. Further, our hotel assets may be subject to an increase in operating and other expenses in the event of increases in property and other tax rates or other regulatory charges, increase in utility costs due to increase in electricity or water supply charges, insurance costs, repairs and maintenance and administrative expenses, which may adversely affect our business, results of operations and financial condition.

16. ***The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.***

The hotel industry in India is intensely competitive and our hotels compete with large multinational and Indian hotel companies, in each of the regions in which we operate. Some of our competitors who are hotel owners may be larger than us, or develop alliances to compete against us, or have greater financial and other resources. We cannot assure you that hotels owned or operated by new or existing competitors will not lower rates or offer better services or amenities or significantly expand or improve facilities in a market in which we operate, or that we will be able to compete effectively in such conditions. The opening of a new hotel in the vicinity of any one of our hotels may also increase competition which would impact our occupancy and consequently our revenues. We may also face increased competition from budget hotels, internet-based homestay and hostel aggregators and alternative accommodation options such as luxury homestays and bed and breakfasts.

Our success is largely dependent upon our ability to compete in areas such as room rates, location of the property, quality of accommodation, service levels and the quality and scope of other amenities, including food and beverage facilities. In addition, our competitors may significantly increase their advertising budget by offering more discounts or incentives to promote their hotels, which may require us to increase advertising and marketing expenses and change pricing strategies, which may have an adverse effect on our results of operations. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors, or that our business and results of operations will not be adversely affected by increased competition.

17. ***We have a large workforce deployed across our hotels and may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our business and reputation.***

We have a large workforce deployed across our hotels and as on June 30, 2019, we had 2,384 permanent employees and employed 541 personnel on a contractual basis. The risks associated with the utilization of a large workforce include possible claims relating to:

- actions, inactions, errors or malicious acts by our personnel or third party service providers, including matters for which we may have to indemnify our guests;
- failure of our personnel or third party service providers to adequately perform their duties, including for rendering deficient services;
- violation by our personnel of security, privacy, health and safety regulations and procedures;
- any failure by us to adequately verify personnel backgrounds and qualifications;
- use of third party vehicles resulting in accidents;
- injury or damages to any guest's person or property due to negligence of our personnel or third party service providers; and
- criminal acts, torts or other negligent acts by our personnel or third party service providers.

These claims may give rise to litigation and claims for damages, which could be costly and time-consuming. Such claims may also result in negative publicity and adversely impact our reputation. In addition, we may also be affected by the acts of third parties, including subcontractors and service providers. Any losses that we incur in this regard may have an adverse effect on our business and reputation.

18. ***Any failure on our part to manage operational risks inherent in our business could adversely affect our business, results of operations and financial condition.***

Certain operational risks are inherent in our businesses due to the nature of the hospitality industry. Our hotel operators provide services including food and beverage services, cleaning and housekeeping, and security services, at our hotels. In rendering such services, our personnel are required to adhere to regulatory requirements as well as internal standard operating procedures with regard to health, safety and hygiene and in their interaction with our guests and other members of the public. Food and beverage services require proper packaging and labelling and the careful and hygienic handling of food products, which if improperly packaged or handled may have an adverse impact on the health of our guests and may result in liability for us. Similarly, cleaning and housekeeping services involve the handling of chemical based cleaning solutions, which if handled improperly may have an adverse impact on the health of our employees, guests and on the environment. We may also be subject to regulatory action if we are unable to comply with regulations applicable to us in respect of any packaged goods made available for sale at our hotels. Consequently, any failure on our part to implement policies and protocols required to effectively mitigate and respond to such risks in a timely manner, may have an adverse effect on our hotel's reputation, guest loyalty and consequently our business, results of operations and financial condition.

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

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 guests served. Our revenues are generally higher during the second half of each financial year. Seasonality affects leisure travel and the MICE sector (meetings, incentives, conferences and events) including weddings. According to the HVS Report, on an average the Indian hotel market experiences high performance in the winter months and low performance during the summers. This seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings. The timing of opening of new hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter. Also, the hospitality industry is subject to weekly variations. While leisure travel increases during weekends, business travel is high during the weekdays.

Further, 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 macro-economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in results for our hotel assets. The costs of running a hotel tend to be more fixed than variable. As a result, our room rates, sales and results of operations may fluctuate significantly from period to period and comparison of different periods, or even the same periods during different years, may not be meaningful. Our results for a given financial year are not necessarily indicative of results to be expected for any other period.

20. ***Our inability to effectively manage our expansion and execute our growth strategy could have an adverse effect on our business, results of operations and financial condition.***

We have experienced significant growth over the past three years and we have expanded our operations to become India's third largest hotel owner, by number of keys, compared to other listed hospitality companies in India as per HVS. We have grown our total operating keys from 942, as of June 30, 2014, to 4,048 as of June 30, 2019. In addition, we are currently in the process of commissioning two additional hotels comprising a total of 223 keys. Our Total Income increased at a CAGR of 17.1% between Financial Years 2017 and 2019. This expansion has placed, and will continue to place, substantial demands on our managerial, operational, technological, financial and other resources and we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

In order to manage and support our growth, we must implement, upgrade and improve our operational, administrative and technological systems, procedures and internal financial and management controls with a view to effectively manage our hotel portfolio. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that could result in inconsistent internal standard operating procedures, we may not be able to efficiently manage our business and growth and our reputation may suffer. We cannot assure you that our management, operational and financial systems, procedures and controls will be adequate to support future operations. Any failure on our part to manage growth effectively, could have an adverse effect on our business and results of operations.

21. ***We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws and certain reporting requirements prescribed by the RBI. Any non-compliance with, or changes in, regulations and reporting requirements applicable to us may adversely affect our business, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental and related laws and regulations, which impose controls on our operations. While the day-to-day operations at our hotels are managed by the respective hotel operators, in terms of the hotel operator services agreements we have entered into with them, we are responsible for obtaining and maintaining all government and regulatory approvals required in relation to the operations and services provided at each of our hotels. For details of the key regulations we are subject to and the key approvals and licenses we are required to maintain, see "***Key Regulations and Policies***" and "***Government and Other Approvals***" on pages 148 and 302, respectively.

In connection with our ownership of hotels and development of properties, we are also subject to various national, state and local laws and regulations relating to environmental laws. Under some of these laws, a current or former owner or operator of real estate property may be held liable for the costs of investigating or remediating hazardous or toxic substances or wastes on, under or in such real property, as well as third-party sites where the owner or operator sent wastes for disposal. Further, a person who arranges for the disposal or treatment of a hazardous or toxic substance at a property owned by another, or who transports such substance to or from such property, may be liable for the costs of removal or remediation of such substance released into the environment at the disposal or treatment facility. The costs of investigating or remediating contamination, at our properties or at properties where we sent substances or wastes for disposal, may be substantial. In the past upon submission of an application for renewal of the consent to operate, our Subsidiary, Barque received a show cause notice from Maharashtra Pollution Control Board, highlighting certain non-compliances noted from the application with respect to providing details about quantity of wet garbage generated and organic waste convertor and consequently the renewal of the application for consent to operate was not processed. We have filed a fresh application for renewal.

Further, government regulations and policies of India, can impact costs incurred as well as the demand for, expenses related to and availability of our hotel services and rooms. For example, the Maharashtra Electricity Regulatory Commission has proposed amendments to the Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2016 and the Maharashtra Electricity Regulatory Commission (Transmission Open Access) Regulations, 2016 which, if enacted, may impact the cost of energy procurement for the operations of our Subsidiary, Ascent at the *Hyatt Regency Pune*. We are also subject to regulations, which are amended periodically, including relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events and weddings at our hotels. We cannot assure you that we will not be involved in litigation or other proceedings, or be held liable in any litigation or proceedings in relation to safety, health and environmental matters, the costs of which may be significant.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require us to incur additional capital expenditure, additional expenses or take other actions in order to remain compliant and maintain our current operations. For example, the Supreme Court of India, in December, 2016, issued a judgment requiring that no alcoholic beverages be sold within a distance of 500 meters from state and national highways. This judgment temporarily affected our operations and the service of wine and liquor at our *Hyatt Regency Pune*. However, the Supreme Court of India clarified in July 2017 that licensed establishments within municipal limits are exempted from this restriction. In another instance, the Supreme Court of India, in February 2019, issued a judgement including special allowances paid by an establishment to its employees within the expression of "basic wages", for the computation of deduction towards the provident fund. The Employees' Provident Fund Organisation has not issued any circular/ notification mentioning the effective date for implementing this decision of the Supreme Court of India; however, if the Supreme Court judgment were implemented retrospectively, it may place an obligation on our Company and our Subsidiaries to deposit additional contributions in relation to their provident fund obligations. Complying with, and changes in, laws and regulations or terms of approval may increase our compliance costs and adversely affect our business and results of operations.

We are also subject to the laws and regulations governing relationships with employees in areas such as minimum wages and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory/ statutory records. Increase in minimum wage rates could increase our costs and affect our margins and profitability. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. In the past, we and certain of our shareholders have received letters from an organization named Hotel Mazdoor Panchayat, which represents workers in branded hotels, alleging certain shortcomings in labour related standards at certain of our hotels. Such letters may translate into legal proceedings, which may have an adverse effect on our reputation, operations and business.

Further, as a company 'owned and controlled' by non-resident Indians in terms of applicable FEMA regulations, we are required to comply with certain reporting requirements involving filings to be made with the RBI under FEMA in connection with downstream investments made by us, including acquisition of and investments in our Subsidiaries. In the past, there has been an inadvertent delay of approximately three months in making one such filing in respect of our downstream investment in our Subsidiary, SAMHI JV Business Hotels Private Limited in the Financial Year 2019. While we have subsequently made the requisite filing along with late submission fee of ₹ 293,250 as specified by the RBI, in the future, if we are unable to make such filings within the prescribed time periods, we may be liable to actions from the RBI. We may also be required to compound offences along with payment of penalties as may be imposed by the RBI. Consequently, if we are unable to comply with such reporting requirements and applicable rules and regulations, our business, results of operations and financial condition may be adversely affected.

We are also required to comply with certain reporting requirements under the provisions of the Foreigner's Act, 1946 (read with the applicable rules and regulations) with respect to the arrival of foreign guests at our hotels. Any delay in complying with such reporting requirements within the prescribed timelines could expose us to potential litigation and penal action. For instance, due to delay in filing of an arrival report for a foreign national within 24 hours of his arrival at one of our hotels, the assistant manager of the hotel was arrested and is currently under prosecution. For further details, see "***Outstanding Litigation and Material Developments - Criminal proceedings against SAMHI Gurgaon***" on page 300.

22. ***We are exposed to a variety of risks associated with safety, security and crisis management.***

There are inherent risks of accidents or injuries at our hotels caused by events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, health crises of guests, sexual harassment at the workplace and petty crimes which could affect guest or employee experience, cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Further, terror attacks at hotels in India in the past and concerns around women safety had led to a decline in foreign tourist arrival in India. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us to significant reputational damage.

Any accidents or any criminal activity at our hotels may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could also subject us to litigation, which may increase our expenses in the event we are found liable and adversely impact our results of operation and financial condition. Such events could also affect our reputation and cause a loss of consumer confidence in our business.

23. ***We are subject to risks relating to owning real estate assets.***

Our principal assets are our hotels and accordingly, we are subject to risks that generally relate to real estate assets. Regulations and interest rates can make it more expensive and time-consuming to develop real property or expand, modify or renovate hotels. Changes in local markets or neighbourhoods may diminish the value of the real estate assets we hold. Real estate assets may not be as liquid as certain other types of assets, and this lack of liquidity may limit our ability to react promptly to changes in economic, market or other conditions. Our ability to dispose of real estate assets, if required, on beneficial terms depends on factors beyond our control, including competition from other sellers, demand from potential buyers and the availability of attractive financing for potential buyers.

We are also subject to the risk that government agencies in India may exercise rights of compulsory acquisition of certain land parcels, which if exercised against land parcels pertaining to one or more of our hotel assets or against land parcels that we otherwise own in the ordinary course of our business, could require us to relinquish such land and may have an adverse impact on our operations. Additionally, the compensation paid pursuant to such acquisition may not be adequate to compensate for the loss of land and revenue being generated from the hotel built on such land. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of roads, highways, airports and rail metro projects. For instance, Argon, our Subsidiary, has received a land acquisition notice from the relevant authorities in Chennai in relation to the acquisition of certain land parcels forming part of the site where one of our hotels is situated. Any potential acquisition pursuant to such land acquisition notice may require us to relocate the entry and exit points of our concerned hotel in Chennai. For further details, see "***Outstanding Litigation and Material Developments - Pending action by statutory or regulatory authorities against Argon***" on page 297. Further, a parcel of land owned by Barque, our Subsidiary, on Hosur road, Bangalore is under acquisition proceedings by the relevant authorities in the state of Karnataka. Since there is an ongoing dispute with a third party in relation to this parcel of land, the compensation amount in lieu of the acquisition is yet to be received by Barque. There is no hotel property currently on this parcel of land. For further details, see "***Outstanding Litigation and Material Developments – Material civil litigation by Barque***" on page 299.

Further, real estate assets are often the subject matter of litigation among third parties. Our Company or Subsidiaries may not be impleaded as parties in such cases, however their outcome could have an impact on our rights over certain land parcels on which our hotel assets may be situated. Since we may not be named as parties in such disputes and the information available to us with respect to such cases may be limited, it would be difficult to assess the impact or outcome of such cases. Any adverse outcome in such cases, wherein the property on which our hotels could be located may be subject to further litigation, could have an adverse effect on our ability to retain such property and consequently our business, results of operations and financial condition may be adversely affected.

We cannot predict the various market conditions affecting real estate assets that may exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our real estate assets, we cannot assure you that we will be able to sell our real estate assets at a profit in the future, if required. Further, the changes in law and regulation and fiscal policies require us to incur substantial compliance costs.

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

Our hotel operators enter into agreements with travel agents, online aggregators and other distribution channels ("**OTA**") to facilitate the process for customers to make hotel reservations and bookings. OTA's offer a wide breadth of services, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct booking channels. Some of them also have strong marketing budgets and aim to create brand awareness and brand loyalty among customers and may seek to commoditize hotel brands through price and attribute comparison. Negative reviews and feedback on OTA's platforms may cause customers to choose the services of our competitors.

Further, any incorrect information uploaded about our hotels by OTAs, or any failure or delay on our part in scrutinizing and rectifying, the correctness of details of our hotels posted on the OTA's platform, may adversely affect the reputation of our hotels and cause negative publicity. This may affect our business, results of operations, cash flows and financial condition.

In the event these OTA's continue to gain market share, they may impact our profitability, undermine our direct booking channels and online web presence and may be able to increase commission rates and negotiate other favourable contract terms. Further, our competitors may be able to negotiate better or more favourable terms with such OTA's, which may result in OTA's offering higher discounts and incentives for their hotels leading to more customers choosing to make bookings at our competitors' hotels, which in turn impacts our hotel bookings from these channels and may adversely affect our business and results of operations.

25. ***Many of our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.***

The interest rate for borrowings availed by us aggregating to ₹ 17,865.57 million as of June 30, 2019, is expressed as the base rate or marginal cost of funds based lending rate of a specified lender and interest spread per annum, which is variable. Further, some of our financing agreements include provisions providing for interest rates to be periodically reset, or changed based on the lender's internal policies. We are susceptible to fluctuations in interest rates and associated risks. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition. See "***Financial Indebtedness***" on page 262 for a description of the range of interest typically payable under our financing agreements.

26. ***A substantial portion of the Net Proceeds will be utilized for the repayment of loans availed by our Company and our Subsidiaries.***

Our Company intends to deploy ₹ 9,500.00 million out of the Net Proceeds to repay/prepay certain indebtedness availed by our Company and our Subsidiaries (including accrued interest). Additionally, we also propose to utilize a part of the Net Proceeds for payment of accrued interest on the IFC CCDs. For further details, see "***Objects of the Offer***" on page 90. The proposed repayment or prepayment of the loans is subject to various factors including: (i) cost of the borrowing to our Company/Subsidiary including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay or repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, as applicable (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Accordingly, the Net Proceeds will not be available for any capital expenditure or creation of tangible assets by our Company.

27. ***We rely on independent contractors for construction and renovation of our hotels and any failure on their part to perform their obligations could adversely affect our business, results of operations, and cash flows.***

We utilize independent contractors for construction and renovation projects at our hotels. If a contractor fails to perform its obligations satisfactorily or within the prescribed time periods with regard to a project, or terminates its arrangement with us, we may be unable to complete the project within the intended timeframe and at the intended cost. If this occurs, we may be required to incur additional cost or time to meet appropriate quality standards in a manner consistent with our project objective, which could result in reduced profits or, in some cases, significant penalties and losses which we may not be able to recover from the relevant independent contractor. We cannot assure you that the services rendered by any of our independent contractors will always be satisfactory or match our requirements for quality.

In addition, we may be subject to claims in relation to defaults and late payments to our contractors, which may adversely affect our business, results of operations, and cash flow.

28. ***We may be unable to successfully grow our business in new markets in India, which may adversely affect our business prospects, results of operations and financial condition.***

We intend to strengthen and expand our portfolio to newer geographies across India which are or are expected to develop into urban consumption centres. However, expanding to new geographies involve numerous risks and we cannot assure you that we will be able to grow our business in such markets. We are likely to face a number of risks including:

- lack of availability and right cost of hotels at suitable locations;
- the availability and cost of capital to fund construction or renovation;
- cost-effective and timely construction of hotels (which construction can be delayed due to, among other reasons, labor and materials availability, labor disputes and weather conditions);
- our ability to secure required governmental permits;
- the ability to access infrastructure and logistical challenges in the new regions; and
- our ability to effectively and efficiently implement our development plans.

We may also be unable to compete effectively with our competitors who are already established in the regions in which we expand. Our expansion plans may also result in advertising and marketing expenditure and challenges caused by distance, language and cultural differences. The demand for our services may not grow as anticipated in certain newer markets and if we are unable to grow our business in such markets effectively, our business, results of operations and financial condition may be adversely affected.

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

We utilize information technology systems to support our business processes, including centralized software and systems for reservations, property management, procurement and administration management of our hotels. These systems may be susceptible and vulnerable to damage or interruption from:

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

Effective response to such disruptions will require effort and diligence on our part, on part of our third-party vendors and our employees to avoid any adverse effect to our information technology systems.

In addition, our systems and data stored electronically, including our guests' sensitive personal and financial information, may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems may also be vulnerable to ransomware attacks, which may block or restrict access to these systems and impair their functionality. If such unauthorized use of our systems were to occur, data related to our guests and other information could be compromised. As a result, we are also susceptible to risks that may arise from such disruptions and from the unauthorized use or access of the technology systems of our hotel operators. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation. We are also dependent on third party vendors for providing some of the services to our guests such as internet and television, among others, and any failure or deficiency on the part of such vendors may adversely affect our reputation.

30. ***We may require additional equity or debt financing in the future in order to continue to grow our business, which may not be available on favourable terms, or at all.***

The hotel industry is a capital intensive industry and our growth strategy may require us to raise additional funds or refinance our existing debt. We cannot assure you that such funds will be available to us on favourable terms, or at all. The amount and timing of such additional financing needs will vary depending on the timing of our new hotel launches, potential acquisitions of new hotel assets, renovation and refurbishment costs for new and existing hotels and the amount of cash flow from our operations. Further, any incurrence of additional debt may increase our financing costs. Our ability to obtain additional capital on acceptable terms is subject to several uncertainties, including:

- investors' or lenders' perception of, and demand for our services;
- conditions of the Indian and other capital markets in which we seek to raise funds;
- our future results of operations, financial condition and cash flows;
- governmental regulation of foreign investment in the hospitality industry and the construction development of hotel projects;
- economic, political and other conditions in India; and
- governmental policies concerning external commercial borrowings.

Further, our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favourable terms, or at all, our business, results of operations and financial condition may be adversely affected.

Any downgrade in our credit ratings could also increase borrowing costs and adversely affect our access to capital and debt markets. In addition, any such downgrade could increase the probability that our lenders may impose additional terms and conditions to any financing or refinancing arrangements that we enter into in the future and adversely affect our business, results of operations, financial condition and cash flows.

31. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

Our hotels are staffed round the clock by our employees. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our operations. While our employees are not currently unionized, except for certain employees deployed at the *Hyatt Regency* hotel in Pune, we cannot assure you that our employees will not form unions in the future. For example, the *Hyatt Regency* hotel in Pune executed a settlement agreement under the Industrial Disputes Act, 1947 dated May 6, 2019 with the Bhartiya Kamgar Sena, a recognized union under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971, pursuant to which certain benefits were instituted, including a wage revision for employees of the hotel placed at certain levels of seniority (excluding certain identified categories of employees), for a three year period commencing from April 1, 2019. In the event our employee relationships deteriorate or we experience significant labour unrest, strikes and other labour action, work stoppages could occur and there could be an adverse impact on our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

32. ***We rely on contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. As of June 30, 2019, we utilized 541 contract laborers across our hotel operations. Although we do not engage these labourers directly, we may be held responsible for (i) any wage payments to be made to such labourers in the event of default by such independent contractor; or (ii) any compensation owed to such labourers on account of a loss or injury at the workplace. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as notified and enforced by the central government and adopted with such modifications as may be deemed necessary by the respective state governments, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

33. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We could be held liable for accidents that occur at our hotels or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our insurance policies are in respect of buildings and equipment (including plate glass insurance) covering losses due to fire and special perils (and incidental losses), burglary, electrical or mechanical breakdown, fidelity guarantee, public liability and money insurance. We also maintain directors' and officers' liability insurance, workmen compensation policies and health insurance for our employees.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. Further, the cost of coverage may in the future become so high that insurance policies we deem necessary for the operation of our projects may not be obtainable on commercially practicable terms, or at all, or policy limits may need to be reduced or exclusions from our coverage expanded.

34. ***Disruptions or lack of basic infrastructure such as electricity and water supply could adversely affect our operations.***

We require a significant amount and continuous supply of electricity and water and any disruption in the supply thereof could affect the operations of our hotels and the services to our guests. We currently source our water requirements from governmental water supply undertakings and water tankers and depend on state electricity boards and private suppliers for our energy requirements. Further, we rely on large scale air conditioning plants to maintain standards, operations and services to our guests and any interruption in the functioning of such air conditioning plants could cause serious reputation and operational risks at our hotels. Although we have diesel generators and back-up generators to meet exigencies at all of our hotels, we cannot assure you that our hotels will have sufficient power during power failures. For example, our Subsidiary, SAMHI JV received letters from the Bangalore Electricity Supply Company Limited ("**BESCOM**") dated July 5, 2018 and March 13, 2019, whereby BESCOM has directed that SAMHI JV arrange a feeder line for its primary source of electricity (since SAMHI JV had only made arrangements for an alternate source), in order to avoid power supply problems and disconnection of SAMHI JV's installations. Any failure on our part to obtain alternate sources of electricity or water, or address mechanical, electrical and plumbing failure, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

35. ***We have availed of certain loans that are recallable by the lenders at any time, including an unsecured loan availed by one of our Subsidiaries.***

One of our Subsidiaries, Ascent, has availed of an unsecured loan of ₹ 22.50 million, which may be recalled by the lender at any time. Further, we have availed certain other cash credit and overdraft facilities which are also repayable on demand. In the event such lenders seek repayment of any of these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Any demand by the lenders may adversely affect our cash flows and financial condition. For details, see "***Financial Statements – Annexure VI – Notes to Restated Consolidated Financial Information – Note 22 – Current financial liabilities - Borrowings***" on page 220 and for further details on our indebtedness, see "***Financial Indebtedness***" on page 262.

36. ***Our Company will not receive any proceeds from the Offer for Sale and certain of our Directors will be participating in the Offer for Sale.***

This Offer includes an Offer for Sale of up to 19,145,624 Equity Shares by the Selling Shareholders. The Selling Shareholders include certain of our Directors, namely Ashish Jakhanwala and Manav Thadani, who will be participating in the Offer for Sale. The entire proceeds from the Offer for Sale (after deducting applicable Offer Expenses) will be given to the Selling Shareholders and the Company will not receive any part of such proceeds. For further details, see "***Capital Structure***" and "***Objects of the Offer***" on pages 78 and 90, respectively.

37. ***This Draft Red Herring Prospectus contains information from third party industry sources, including the report commissioned from HVS, which has not independently been verified by us. Prospective investors are advised not to place undue reliance on such information.***

This Draft Red Herring Prospectus includes information derived from third party industry sources and from the report titled 'India Hospitality Overview' prepared by HVS, pursuant to an engagement with our Company. We commissioned the HVS Report for the purpose of confirming our understanding on the Indian hospitality business and the future outlook of the industry in India. Neither we, nor our Directors, nor any of the BRLMs, nor any other person connected with the Offer has independently verified the information from this report and while we believe such information to be true, we cannot guarantee the accuracy, adequacy or completeness of it. Moreover, the industry sources including the HVS Report contains certain industry and market data, based on certain assumptions.

Further, the report uses certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies in the hospitality sector, and methodologies and assumptions vary widely among different industry sources. Such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the HVS Report or any other industry data or sources are not recommendations to invest in our Company. Prospective investors are advised not to place undue reliance on the HVS Report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions.

38. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has not declared dividends in the past. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future. For details on the dividend policy adopted by our Board, see "***Dividend Policy***" on page 179.

39. ***Our inability to protect or use our intellectual property rights may adversely affect our business.***

We have registered trademarks under various classes, including under classes 43 and 35 with the Registrar of Trademarks under the Trade Marks Act, including SAMHI, SAMHI and CASPIA HOTELS. Further, we have also made applications seeking registration of trademarks under various classes, including in respect of our analytics technology tools SAMIntel and SAMConnect, which are currently pending registration. We believe that trademarks and service marks are important assets to our business. The use of our, or those of our brand partners', trademarks or logos by third parties could adversely affect our hotels' reputation, which could in turn adversely affect our business and results of operations. Therefore, we take measures to protect our and our brand partners' intellectual property by relying on Indian laws and initiating legal proceedings. However, such measures may not be adequate to prevent unauthorized use of our, or our brand partners' intellectual property by third parties and thus, we may not be able to prevent infringement of our or our brand partners' intellectual property. Further, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, our current and future trademarks are subject to expiration and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, financial condition and cash flows.

40. *We do not own the land on which our Corporate Office is situated.*

We do not own the land on which our Corporate Office is situated. Our Corporate Office is leased from DLF Cyber City Developers Limited, pursuant to a lease deed dated November 3, 2017. This lease deed is valid for a period of three years from October 1, 2017. We cannot assure you that we will be able to continue with the uninterrupted use of this premise. In the event that we are unable to comply with the terms of our lease deed, it may impair our operations and adversely affect our business, results of operations and financial condition. For further details, see "***Our Business – Immovable Properties***" on page 128.

41. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval.*

We propose to utilize the Net Proceeds for repayment/ prepayment of certain borrowings (including accrued interest) of our Company and its Subsidiaries, payment of accrued interest on the IFC CCDs and general corporate purposes. For details, see "***Objects of the Offer***" on page 90. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

42. *Certain of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.*

Certain of our Directors and Key Managerial Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Key Managerial Personnel may be deemed to be interested to the extent of equity shares held by them, directly or indirectly, in our Company and Subsidiaries. Certain of our Directors and Key Managerial Personnel may also be regarded as interested to the extent of loans and employee stock options granted by our Company from time to time pursuant to ESOP schemes, as applicable. For further details in relation to the employee stock options granted to our Directors and Key Managerial Personnel, see "***Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes***" on page 85.

Further, our Company has extended a loan of ₹ 20.55 million at an interest rate of 14.75% p.a. to Ashish Jakhanwala, Managing Director and Chief Executive Officer by way of a loan agreement dated March 20, 2014. In the event that Ashish Jakhanwala receives proceeds from sale of his shareholding pursuant to an initial public offering undertaken by our Company, which are equal to or higher than the then outstanding loan amount (including accrued interest) Ashish Jakhanwala is required to repay the outstanding loan amount within 30 days of the receipt of such proceeds or such other date as may be extended by our Company with the approval of our Board. For further details in relation to the interests of our Directors and Key Managerial Personnel, see "***Our Management – Interest of Directors***" and "***Our Management – Interest of Key Managerial Personnel***" on pages 166 and 175, respectively.

43. ***Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition.***

As on the date of this Draft Red Herring Prospectus, 2,598,680 stock options have been granted to eligible employees and are outstanding under the ESOP – 2016, and under the ESOP – 2019 – I, a one-time grant of 814,619 options will be made prior to filing of the Red Herring Prospectus with the RoC. Our Company may grant further employee stock options pursuant to ESOP – 2019 – II and ESOP – 2019 – III. For further details in relation to the ESOP Schemes, see "***Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes***" on page 85.

Under Ind AS, the grant of employee stock options results in a charge to our Company's profit and loss account equal to the intrinsic value (which will amortize over the vesting period of these stock options) based on the difference between the fair value of our Equity Shares determined at the date of grant and exercise price. Our expenses related to the ESOP – 2016 amounted to ₹ 0.42 million for the three months ended June 30, 2019 and ₹ 4.03 million for the Financial Year 2019, and such expenses may increase in the future, depending on further grant of employee stock options pursuant to the ESOP Schemes.

44. ***We have in the last 12 months, issued Equity Shares at a price that could be lower than the Offer Price.***

We have, in the last 12 months prior to filing this Draft Red Herring Prospectus, issued Equity Shares at a price that could be lower than the Offer Price. For further details, see "***Capital Structure – Notes to Capital Structure – Issue of equity shares in the last one year***" on page 81.

45. ***Our Independent Director, Arjun Sharma**, **is involved in one or more ventures which are in the same line of business as that of our Company***.

Our Director, Arjun Sharma is the promoter and managing director of Select Holiday Resorts Private Limited promoter and director of Indrama Infrastructure Management Services Private Limited and is the promoter of an entity of which Shivram Foods Private Limited is an associate company. Each of Select Holiday Resorts Private Limited, Indrama Infrastructure Management Services Private Limited and Shivram Foods Private Limited are in the same line of business as that of our Company. There can be no assurance that our Director will be able to address conflicts of interests that arise because of his positions in such ventures, in an impartial manner. Also, there can be no assurance that our Directors will not engage in any competing business activity or acquire interests in competing ventures in the future. If so, this conflict of interest will remain in the future and in the absence of a non-compete arrangement, we may not be able to suitably resolve any such conflict without an adverse effect on our business or operations.

46. ***We have pledged equity shares of certain of our Subsidiaries, in favour of certain lenders. In the event that such lenders exercise their rights under the respective share pledge agreements in the event of default and in accordance with the respective financing agreements, our business, results of operations, cash flows and prospects may be adversely affected.***

We have pledged equity shares of certain Subsidiaries in favour of certain lenders to secure loan facilities availed by certain of our Subsidiaries. Such pledge has been created to the extent of:

- 100% of the paid up equity share capital of our Subsidiary Paulmech in favour of IL&FS Financial Services Limited;

- 99.99% of the paid-up equity share capital of our Subsidiary Ascent in favour of Vistra ITCL (India Limited) on behalf of HDFC Limited, DBS Bank Limited (now DBS Bank India Limited) and PHL Fininvest Private Limited;
- 30% of the paid-up equity share capital of our Subsidiary Caspia in favour of State Bank of India;
- 51% of the paid up equity share capital of our Subsidiary Barque in favour of IL&FS Financial Services Limited; and
- 100% of the paid up equity share capital of our Subsidiary SAMHI JV in favour of Vistra ITCL (India Limited) on behalf of PHL Fininvest Private Limited.

Any default or breach under the relevant financing agreement pursuant to which such securities have been pledged will entitle the lenders to enforce the pledge over such collateral and take ownership of the collateral and/ or to sell the pledged equity shares to third parties. If these pledges are enforced, our shareholding and control in such Subsidiaries, may be reduced or divested completely, thereby adversely affecting our economic interest in such Subsidiaries and our ability to manage the affairs of these Subsidiaries.

External Risk Factors

Risks Related to India

47. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, financial condition and cash flows. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, financial condition or cash flows. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy of India. There have been periods of slowdown in the economic growth of India. Demand at our hotels may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. For example, in September 2018, IL&FS Limited, a leading Indian non-banking financial company reported that it has defaulted on its loan repayment obligations. This led to volatility in the Indian debt and equity markets. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure.

More recently, on March 30, 2019, the Ministry of Corporate Affairs notified a new leasing standard *viz*, Ind AS 116 and the same is effective for accounting periods beginning on or after April 1, 2019. The new standard requires lessees to recognize most leases on their balance sheets. Lessees are required to use a single accounting model for all leases, with limited exemptions. An entity has an option to adopt Ind AS 116 using either the full retrospective method or the modified retrospective method. We have chosen to apply Ind AS 116 using the modified retrospective method.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

50. ***Investors may not be able to enforce a judgment of a foreign court against our Company and against IFC.***

Our Company is incorporated under the laws of India. Our Company's assets are located in India and a majority of our Company's Directors and Key Managerial Personnel are residents of India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedures, 1908 (the "**Civil Code**"). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment.

As a result, you may be unable to: (i) effect service of process outside of India upon us, our Directors and KMPs; or (ii) enforce in courts outside of India, judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. Further, a party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

Under the provisions of the International Finance Corporation (Status, Immunities and Privileges) Act, 1958 and the United Nations (Privileges and Immunities) Act, 1947, IFC, one of our Selling Shareholders, has certain immunities, including from legal process, search, requisition, confiscation, expropriation or any other seizure or attachment in respect of its properties and assets, in India. Additionally, all officers and employees of IFC are immune from legal process with respect to acts performed by them in their official capacity. There can be no assurance that you will be able to institute or enforce any action against IFC in India. Similar limitations may exist in other jurisdictions including the United States of America.

51. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

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

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

Under current Indian tax laws, unless specifically exempted, 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 held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon the sale of the Equity Shares.

53. ***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, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

54. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

Risks Related to the Offer

55. ***We are a professionally managed company and do not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act, 2013.***

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, there is no requirement of minimum promoter's contribution in this Offer and accordingly, none of the Equity Shares will be locked in for a period of three years pursuant to the Offer.

In terms of Regulations 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital will be locked-in for a period of one year from the date of Allotment, other than (a) Equity Shares which are successfully transferred as part of the Offer for Sale; and (b) any Equity Shares allotted to employees, whether currently an employee or not, pursuant to the ESOP Schemes prior to the Offer.
Post the lock-in period of one year, the pre-Offer shareholders, may sell their shareholding in our Company, based on market conditions and their investment horizon. Further, any perception by investors that such sales might occur could also affect the trading price of the Equity Shares.

56. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price is based on numerous factors, including the basic and diluted earnings per share, price earning ratio in relation to the offer price per equity share of the face value, comparison with listed industry peers and return on net worth as described under "***Basis for Offer Price***" on page 100 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. Further, our BRLMs have previously handled issues wherein the market price of the issued shares declined below the issue price of shares within 30 days of their listing and in certain cases continued to trade at a price lower than their listing price on the 180th day from listing. For details of the price information of the past issues handled by the BRLMs, see "***Other Regulatory and Statutory Disclosures – Price Information of past issues handled by the BRLMs***" on page 313. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

57. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares will 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 market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in the operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

58. ***There is no guarantee that the Offer will be successful or the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, or that such listing that they will remain listed on the Stock Exchanges.***

If our Company does not receive sufficient subscription in the Offer to meet (i) 90% of the Fresh Issue; and (ii) subscription of such number of Offered Shares of Blue Chandra as required to ensure that Blue Chandra's post-Offer shareholding in our Company is not more than 24.9%, the Offer would be deemed to be unsuccessful, unless determined otherwise by the Board in accordance with applicable law, and refund of the entire subscription amount would be initiated, in accordance with applicable law. For details, see "***Terms of the Offer***" beginning on page 319.

Further, in accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issue of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining an approval could restrict investors' ability to sell their Equity Shares.

59. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

60. ***You may not be able to sell, any of the Equity Shares you purchase in the Offer immediately on an Indian stock exchange.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant and listing is expected to commence within the period as may be prescribed under applicable law. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

61. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of a substantial number of shares in the public market by our existing shareholders may dilute your shareholding and/or may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares, convertible securities or securities linked to Equity Shares by us, including through exercise of employee stock options, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. We cannot assure you that we will not issue additional Equity Shares. Also, sales of a substantial number of Equity Shares by our existing shareholders in the public market could occur at any time after the expiration of the one year lock-in described in the section "***Capital Structure***" on page 78. These sales, or the market perception that the holders of a large number of shares intend to sell shares, may cause a fall in the trading price of our Equity Shares. We cannot assure you that our existing shareholders will not dispose of, pledge or encumber their Equity Shares in the future. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

62. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

63. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors may revise their Bids during the Bid/Offer Period and are permitted to withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer.

Offer^	[●] Equity Shares of ₹ [●] each aggregating to ₹ [●] million
The Offer consists of:	
Fresh Issue(1)	[●] Equity Shares aggregating up to ₹ 11,000 million
Offer for Sale(2)	Up to 19,145,624 Equity Shares aggregating ₹ [●] million
Of which	
A. QIB Category(3)	Not less than [●] Equity Shares
Of which:	
Anchor Investor Portion(4)	[●] Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation to mutual funds only (5% of the QIB Category (excluding Anchor Investor Portion))	[●] Equity Shares
B. Non-Institutional Category	Not more than [●] Equity Shares
C. Retail Category	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	[●]** Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	See "***Objects of the Offer***" beginning on page 90 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

^ *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid up equity share capital of our Company.*

** *To be included in the Red Herring Prospectus, upon conversion of the IFC CCDs, as well as issuance of any further Equity Shares on account of exercise of stock options under the ESOP - 2016 and/or the Pre-IPO Placement.*

(1) *The Offer has been authorized by our Board pursuant to its resolution dated September 2, 2019 and by the Shareholders pursuant to their resolution dated September 5, 2019.*

(2) *The Selling Shareholders have authorized their respective participation in the Offer for Sale as stated under "- **Notes**" below.*

(3) *If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money will be refunded forthwith. In the event aggregate demand in the QIB Category has been met, under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.*

(4) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Category 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 price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs. In the event of under subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. For further details, see "**Offer Procedure**" on page 326.*

Notes:

- Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

S.No.	Name of the Selling Shareholder	Date of resolution by board or committee of directors	Consent Letter	Maximum number of Equity Shares offered for sale
1.	Blue Chandra Pte. Ltd.	September 13, 2019	September 23, 2019	10,385,721
2.	Goldman Sachs Investments Holdings (Asia) Limited	September 23, 2019	September 23, 2019	4,555,894
3.	GTI Capital Alpha Pvt Ltd	September 10, 2019	September 23, 2019	2,895,539

S.No.	Name of the Selling Shareholder	Date of resolution by board or committee of directors	Consent Letter	Maximum number of Equity Shares offered for sale
4.	International Finance Corporation*	N.A.	September 23, 2019	1,067,164*
5.	Ashish Jakhanwala	N.A.	September 23, 2019	120,653
6.	Manav Thadani	N.A.	September 23, 2019	120,653

**The outstanding 1,260,000 IFC CCDs will be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC.*

- Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post-Offer paid-up equity share capital of our Company.

- Our Company will not receive any proceeds from the Offer for Sale.

- Allocation in all categories, except the Anchor Investor Portion if any, and the Retail Category, shall be made on a proportionate basis. For more information, see "***Offer Procedure***" on page 326.

For details, including in relation to grounds for rejection of Bids, refer to "***Offer Procedure***" on page 326. For details of the terms of the Offer, see "***Terms of the Offer***" on page 319.

SUMMARY FINANCIAL INFORMATION

*The summary financial information presented below should be read in conjunction with "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 180 and 264, respectively.*

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SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Restated Consolidated Balance Sheet
(All amounts in Rupees millions, unless otherwise stated)

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
ASSETS					
Non-current assets					
Property, plant and equipment	24,692.80	24,195.76	24,985.93	23,739.46	21,123.22
Capital work-in-progress	196.25	776.28	182.31	1,684.33	1,461.94
Goodwill	272.86	272.86	272.86	272.86	272.86
Other intangible assets	114.04	96.42	120.87	84.53	67.27
Financial assets					
Loans	152.33	140.12	148.65	131.19	112.21
Others	552.54	608.57	482.15	429.34	147.27
Income tax assets (net)	175.47	146.05	188.78	149.40	99.13
Other non-current assets	232.31	313.42	256.18	261.47	246.38
Total non-current assets	**26,388.60**	**26,549.48**	**26,637.73**	**26,752.58**	**23,530.28**
Current assets					
Inventories	45.72	39.36	47.78	38.08	35.50
Financial assets					
Investments	-	294.31	276.64	281.60	699.63
Trade receivables	350.81	239.35	313.28	271.16	137.91
Cash and cash equivalents	650.16	519.42	445.94	630.72	398.61
Other bank balances	57.57	333.92	42.18	838.44	468.88
Loans	9.81	10.77	9.85	10.98	6.35
Others	188.61	103.12	157.80	91.24	54.28
Other current assets	506.16	510.31	511.35	446.28	380.51
Assets held for sale	70.00	-	70.00	-	-
Total current assets	**1,878.84**	**2,050.56**	**1,874.82**	**2,608.50**	**2,181.67**
TOTAL ASSETS	**28,267.44**	**28,600.04**	**28,512.55**	**29,361.08**	**25,711.95**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	74.90	74.90	74.90	74.90	74.90
Other equity	4,716.47	7,468.25	5,301.40	8,712.99	9,777.41
Equity attributable to the owners of the Company	**4,791.37**	**7,543.15**	**5,376.30**	**8,787.89**	**9,852.31**
Non-controlling interest	-	384.56	-	388.24	1,203.35
Total equity	**4,791.37**	**7,927.71**	**5,376.30**	**9,176.13**	**11,055.66**
Non-current Liabilities					
Financial liabilities					
Borrowings	20,711.84	17,432.12	19,923.90	16,319.29	12,446.11
Others	581.93	533.08	591.14	540.06	242.35
Provisions	62.04	57.25	60.25	54.19	39.02
Deferred tax liabilities (net)	51.89	91.63	63.19	77.37	252.27
Other non-current liabilities	364.38	263.16	367.86	268.50	259.71
Total non-current liabilities	**21,772.08**	**18,377.24**	**21,006.34**	**17,259.41**	**13,239.46**
Current liabilities					
Financial liabilities					
Borrowings	331.98	866.23	557.21	1,354.84	488.09
Trade payables					
- total outstanding dues of micro enterprises and small	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	573.10	416.24	546.94	487.12	311.63
Others	411.31	721.96	640.31	815.33	452.36
Other current liabilities	362.33	285.27	364.45	265.84	163.09
Provisions	5.20	5.39	5.44	2.41	1.66
Income tax liability (net)	20.07	-	15.56	-	-
Total current liabilities	**1,703.99**	**2,295.09**	**2,129.91**	**2,925.54**	**1,416.83**
TOTAL EQUITY AND LIABILITIES	**28,267.44**	**28,600.04**	**28,512.55**	**29,361.08**	**25,711.95**

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Restated Consolidated Statement of Profit and Loss
(All amounts in Rupees millions, unless otherwise stated)

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Income					
Revenue from operations	1,430.23	916.49	4,707.69	3,923.89	3,232.31
Other income	42.20	55.17	193.29	277.74	339.39
Total income	**1,472.43**	**971.66**	**4,900.98**	**4,201.63**	**3,571.70**
Expenses					
Cost of materials consumed	127.91	87.69	426.89	365.71	308.04
Purchases of stock-in-trade	-	-	-	-	0.55
Changes in inventories of stock-in-trade	-	0.39	0.39	0.13	(0.52)
Employee benefits expense	335.03	266.36	1,167.46	914.68	849.51
Other expenses	661.81	501.90	2,223.38	2,102.14	1,633.13
	1,124.75	**856.34**	**3,818.12**	**3,382.66**	**2,790.71**
Earnings before finance cost, depreciation, amortisation, tax and exceptional items	**347.68**	**115.32**	**1,082.86**	**818.97**	**780.99**
Finance costs	624.79	557.29	2,256.09	1,704.65	1,216.14
Depreciation and amortisation expense	316.11	299.35	1,222.77	1,144.93	1,029.27
	940.90	**856.64**	**3,478.86**	**2,849.58**	**2,245.41**
Loss before tax and exceptional items	**(593.22)**	**(741.32)**	**(2,396.00)**	**(2,030.61)**	**(1,464.42)**
Exceptional items	-	495.73	633.88	-	-
Loss before tax	**(593.22)**	**(1,237.05)**	**(3,029.88)**	**(2,030.61)**	**(1,464.42)**
Tax expense/(income)					
Current tax	4.50	-	15.56	-	-
Tax for prior years/period	-	2.88	2.88	-	-
Deferred tax	(11.30)	14.26	(14.18)	(175.05)	(262.23)
	(6.80)	**17.14**	**4.26**	**(175.05)**	**(262.23)**
Loss for the year/period	**(586.42)**	**(1,254.19)**	**(3,034.14)**	**(1,855.56)**	**(1,202.19)**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
- Re-measurement gain/(loss) on defined benefit obligations	1.07	1.74	5.55	2.61	(0.42)
- Income tax relating to items mentioned above	-	-	-	(0.15)	(0.12)
Items that will be reclassified to profit or loss					
- Effective portion of gains /(losses) on hedging instruments in cash flow hedges	-	2.76	5.76	36.56	(0.02)
- Income tax relating to items mentioned above	-	-	-	-	(9.95)
Other comprehensive income/(loss), net of tax	**1.07**	**4.50**	**11.31**	**39.02**	**(10.51)**
Total comprehensive income/(loss) for the year/period	**(585.35)**	**(1,249.69)**	**(3,022.83)**	**(1,816.54)**	**(1,212.70)**
Loss attributable to:					
Owners of the Group	(586.42)	(1,250.46)	(3,034.14)	(1,851.71)	(1,062.91)
Non-controlling interest	-	(3.73)	-	(3.85)	(139.28)
Loss for the year/period	**(586.42)**	**(1,254.19)**	**(3,034.14)**	**(1,855.56)**	**(1,202.19)**
Other comprehensive income attributable to:					
Owners of the Group	1.07	4.45	11.31	38.85	(10.51)
Non-controlling interest	-	0.05	-	0.17	-
Other comprehensive income/(loss) for the year/period	**1.07**	**4.50**	**11.31**	**39.02**	**(10.51)**
Total comprehensive income attributable to:					
Owners of the Group	(585.35)	(1,246.01)	(3,022.83)	(1,812.86)	(1,073.42)
Non-controlling interest	-	(3.68)	-	(3.68)	(139.28)
Total comprehensive income/(loss) for the year/period	**(585.35)**	**(1,249.69)**	**(3,022.83)**	**(1,816.54)**	**(1,212.70)**
Earnings per equity share					
Basic (INR)	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)
Diluted (INR)	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
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(All amounts in Rupees millions, unless otherwise stated)

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from operating activities					
Loss before tax	**(593.22)**	**(1,237.05)**	**(3,029.88)**	**(2,030.61)**	**(1,464.42)**
Adjustments for:					
Depreciation and amortisation	316.11	675.26	1,598.68	1,144.93	1,029.27
Unrealised foreign exchange difference	-	35.21	-	(4.27)	-
Foreign exchange loss on repayment of borrowings	-	-	39.92	-	-
Loss on impairment of assets	-	-	-	181.15	-
Finance costs	624.79	557.29	2,256.09	1,704.65	1,216.14
Interest income	(9.47)	(16.80)	(37.59)	(82.55)	(46.36)
Allowance for doubtful trade receivables	4.25	4.37	6.28	2.50	0.72
Share based payments	0.42	1.27	4.03	14.88	58.23
Bad debts written off	0.11	-	3.98	1.65	0.07
Intangible assets written off	-	5.47	5.47	-	-
Loss on sale of property, plant and equipment	-	119.82	119.82	-	-
Loss/(Gain) on disposal of property, plant and equipment (net)	0.02	2.28	1.57	(12.91)	-
Profit on redemption of mutual funds (net)	(2.43)	(3.25)	(16.98)	(35.89)	(87.23)
Gain on fair valuation of investment of mutual funds	-	(4.62)	(8.72)	(8.17)	(6.34)
Loss/(Gain) on fair valuation of derivative component of FCCDs	(0.11)	(0.11)	(0.43)	1.04	(3.40)
Loss on reclassification of asset held for sale	-	-	138.15	-	-
Income from government grants	(24.37)	(14.09)	(78.02)	(62.27)	(164.07)
Unwinding of discount on security deposits	(1.44)	(1.43)	(6.15)	(4.99)	(4.99)
Lease payments	(26.51)	(23.69)	(102.12)	(63.58)	(33.13)
Provisions/liabilities no longer required written back	(0.02)	(9.38)	(11.93)	(13.30)	(13.67)
	288.13	**90.55**	**882.17**	**732.26**	**480.82**
(Increase)/ decrease in trade receivables	(41.89)	27.44	(52.39)	(134.66)	45.25
(Increase)/ decrease in inventories	2.07	(1.27)	(9.69)	0.75	(4.24)
(Increase)/ decrease in loans	(2.20)	(7.30)	(10.19)	(11.29)	(14.84)
(Increase)/ decrease in other financial assets	(9.03)	(0.52)	(52.29)	27.41	(13.68)
(Increase)/ decrease in other assets	10.70	(115.97)	(58.31)	(26.44)	(54.44)
Increase/ (decrease) in provisions	2.59	4.87	11.66	13.00	12.75
Increase/ (decrease) in other financial liabilities	(31.36)	4.96	72.60	(17.49)	(11.78)
Increase/ (decrease) in other liabilities	(0.06)	(5.11)	188.55	100.84	73.29
Increase/ (decrease) in trade payables	26.69	(61.44)	71.77	112.44	7.10
Cash generated from operations	**245.64**	**(63.79)**	**1,043.88**	**796.82**	**520.23**
Income taxes paid (net)	16.26	5.00	(37.74)	(37.87)	(4.68)
Net cash provided/ (used) by operating activities (A)	**261.90**	**(58.79)**	**1,006.14**	**758.95**	**515.55**
B. Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	(190.10)	(367.11)	(1,600.06)	(1,203.97)	(976.96)
Proceeds from sale of property, plant and equipment	(0.02)	8.86	12.00	140.70	-
Bank deposits matured	442.61	1,032.30	2,728.99	1,936.76	1,512.74
Bank deposits made	(535.99)	(717.30)	(1,959.90)	(2,570.84)	(1,495.14)
Interest received	18.66	32.96	70.64	74.89	59.46
Purchase consideration paid on acquisition of subsidiary (net of cash acquired) (Refer note 48)	-	-	-	(1,976.98)	-
Purchase of current investments	(577.26)	(505.42)	(3,465.78)	(5,368.44)	(2,846.50)
Proceeds from sale of current investments	856.33	500.52	3,496.42	5,830.53	3,965.18
Acquisition of NCI (Refer note 52)	-	-	(781.03)	(748.80)	-
Net cash provided/ (used) by investing activities (B)	**14.23**	**(15.19)**	**(1,498.72)**	**(3,886.15)**	**218.78**
C. Cash flows from financing activities					
Proceeds from long term borrowings	1,855.95	2,622.85	10,544.01	7,287.08	753.53
Repayment of long term borrowings	(1,224.16)	(1,701.48)	(7,750.29)	(3,181.00)	(681.82)
Proceeds from short term borrowings - net	(225.23)	(488.61)	(797.63)	866.74	212.11
Finance costs paid	(478.47)	(470.08)	(1,688.29)	(1,613.51)	(1,073.08)
Net cash provided/ (used) by financing activities (C)	**(71.91)**	**(37.32)**	**307.80**	**3,359.31**	**(789.26)**
Net increase in cash and cash equivalents (A + B + C)	**204.22**	**(111.30)**	**(184.78)**	**232.11**	**(54.93)**
Cash and cash equivalents at the beginning of the year/period	**445.94**	**630.72**	**630.72**	**398.61**	**453.54**
Cash and cash equivalents at the end of the year/period	**650.16**	**519.42**	**445.94**	**630.72**	**398.61**
i. Components of cash and cash equivalents:					
Cash in hand	4.87	3.26	5.15	3.13	3.00
- in current accounts	426.32	482.96	430.55	549.17	345.80
- on deposit accounts with original maturity upto 3 months	218.97	33.20	10.24	78.42	49.81
	650.16	**519.42**	**445.94**	**630.72**	**398.61**

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ii. Movement in financial liabilities

For the year ended 31 March 2017

	Non-current borrowings	Current borrowings	Total
As on 1 April 2016	**12,513.06**	**275.98**	**12,789.04**
Cash flows (net)	71.71	212.11	283.82
Finance cost expense	1,192.29	23.85	1,216.14
Finance cost paid	(1,049.23)	(23.85)	(1,073.08)
Interest income on loan funds	18.21	-	18.21
Other non cash transactions			
- Conversion of FCCDs issued by Barque	(182.09)	-	(182.09)
- Interest on lease	(26.71)	-	(26.71)
- Amortisation of premium on OCRDs	1.20	-	1.20
- Interest transferred to capital work-in-progress	124.15	-	124.15
- Unwinding of discount on asset retirement obligation	(0.07)	-	(0.07)
As on 31 March 2017	**12,662.52**	**488.09**	**13,150.61**

For the year ended 31 March 2018

	Non-current borrowings	Current borrowings	Total
As on 1 April 2017	**12,662.52**	**488.09**	**13,150.61**
Cash flows (net)	4,106.08	866.74	4,972.82
Finance cost expense	1,597.41	107.24	1,704.65
Finance cost paid	(1,506.28)	(107.23)	(1,613.51)
Acquisition of FCCDs issued by Barque (Refer note 18)	(204.42)	-	(204.42)
Interest income on loan funds	15.29	-	15.29
Other non cash transactions			
- Foreign exchange movement	(4.27)	-	(4.27)
- Interest on lease	(45.66)	-	(45.66)
- Amortisation of premium on OCRDs	1.48	-	1.48
- Interest transferred to capital work-in-progress	84.59	-	84.59
- Unwinding of discount on asset retirement obligation	(0.09)	-	(0.09)
As on 31 March 2018	**16,706.65**	**1,354.84**	**18,061.49**

For the year ended 31 March 2019

	Non-current borrowings	Current borrowings	Total
As on 1 April 2018	**16,706.65**	**1,354.84**	**18,061.49**
Cash flows (net)	2,793.72	(797.63)	1,996.09
Finance cost expense	2,186.49	69.60	2,256.09
Finance cost paid	(1,618.69)	(69.60)	(1,688.29)
Interest income on loan funds	14.44	-	14.44
Other non cash transactions			
- Foreign exchange movement	39.92	-	39.92
- Interest on lease	(59.77)	-	(59.77)
- Amortisation of premium on OCRDs	1.80	-	1.80
- Interest transferred to capital work-in-progress	82.51	-	82.51
- Unwinding of discount on asset retirement obligation	(0.10)	-	(0.10)
As on 31 March 2019	**20,146.97**	**557.21**	**20,704.18**

For the period 1 April 2018 to 30 June 2018

	Non-current borrowings	Current borrowings	Total
As on 1 April 2018	**16,706.65**	**1,354.84**	**18,061.49**
Cash flows (net)	921.37	(488.61)	432.76
Finance cost expense	531.33	25.96	557.29
Finance cost paid	(444.12)	(25.96)	(470.08)
Interest income on loan funds	7.41	-	7.41
Other non cash transactions			
- Foreign exchange movement	35.21	-	35.21
- Interest on lease	(14.44)	-	(14.44)
- Amortisation of premium on OCRDs	0.45	-	0.45
- Interest transferred to capital work-in-progress	13.96	-	13.96
- Unwinding of discount on asset retirement obligation	(0.02)	-	(0.02)
As on 30 June 2018	**17,757.80**	**866.23**	**18,624.03**

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
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(All amounts in Rupees millions, unless otherwise stated)

For the period 1 April 2019 to 30 June 2019

	Non-current borrowings	Current borrowings	Total
As on 1 April 2019	**20,146.97**	**557.21**	**20,704.18**
Cash flows (net)	631.79	(225.23)	406.56
Finance cost expense	610.06	14.73	624.79
Finance cost paid	(463.74)	(14.73)	(478.47)
Interest income on loan funds	6.94	-	6.94
Other non cash transactions			
- Interest on lease	(15.28)	-	(15.28)
- Amortisation of premium on OCRDs	0.45	-	0.45
- Unwinding of discount on asset retirement obligation	(0.03)	-	(0.03)
As on 30 June 2019	**20,917.16**	**331.98**	**21,249.14**

SUPPLEMENTARY FINANCIAL INFORMATION

Reconciliation of Adjusted EBITDA

In evaluating our business, we consider and use non-GAAP financial measures such as Adjusted EBITDA and Adjusted EBITDA Margin to review and assess our operating performance. These non-GAAP financial measures are not defined under IndAS and are not presented in accordance with Ind AS. Our non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included our non-GAAP financial measures because we believe they are one of the indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. Our non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with IndAS. These measures should not be considered in isolation or construed as an alternative to IndAS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Financial Statements.

The basis and methodology used to bifurcate various incomes and expenses between various hotel properties to calculate Adjusted EBITDA are stated below:

Total Income from Assets represents revenue generated from our hotel operations (namely room revenue, food & beverage revenue, and recreation and other services) as well as other income which is directly attributable to our hotel operations.

Expenditure at Asset Level represents costs incurred in relation to and attributable to day to day operations of our hotels.

Corporate income represents the income generated from treasury activity as well as other income which cannot be allocated at any hotel.

Corporate expense represents the cost of employee benefits which are related to employees working at Group level and other general and administrative expense incurred for Group level activity.

Finance costs represents at

- Asset level - interest and other finance cost incurred in relation to debt borrowed for the purpose of the hotel.
- Corporate level - general corporate debt borrowed for the corporate activities which is not directly attributed/ allocable to any hotel.

Depreciation and amortisation represents at

- Asset level – depreciation and amortisation on property, plant and equipment as well as intangible assets at the hotel level for generating income
- Corporate level - cost charged in relation to assets at corporate level, which cannot be attributed / allocated to any hotel

Exceptional items represents items of income or expense which are material and required to be presented separately, when such presentation is relevant to an understanding of the entity's financial performance.

- Asset level – loss on sale of property, plant and equipment and accelerated depreciation on rebranding.

  The Group undertook a large rebranding exercise during the Financial Year 2019 whereby 12 of its hotels were rebranded. As part of this exercise, significant changes were carried out to property, plant and equipment like discarding old assets, selling-off of old furniture and dismantling of certain floor and interior work. This rebranding exercise is a one-time activity that has been undertaken by the Group and hence, it has been excluded from normal items in the financial statements.

- Corporate level – loss on reclassification of asset held for sale.

The Group has decided to sell off a freehold land on which hotel construction was planned but no significant work was carried out on such land. This disposal of land has not been carried out until now and the terms of disposal are under discussion with third party. This is a one-time activity undertaken by the Group and hence, it has been excluded from normal items in the financial statements.

Tax expense/(income) represents total tax payable by the Group. Since hotel properties are included in different legal entities within the Group and every entity does not have only one property as well as undertakes corporate function within the entity, tax is unallocable at a property level.

In the tables below, the Hotels under Argon refers to the following hotel assets:

S. No.	Hotel Brand	City	Location	Segment
1.	Fairfield by Marriott	Pune	Kharadi	Mid-scale
2.	Fairfield by Marriott	Bangalore	Whitefield	Mid-scale
3.	Fairfield by Marriott	Chennai	OMR	Mid-scale
4.	Fairfield by Marriott	Goa	Anjuna	Mid-scale
5.	Caspia	New Delhi	Shalimar Bagh	Mid-scale

Hotels under Barque refers to the following hotel assets:

S. No.	Hotel Brand	City	Location	Segment
1.	Holiday Inn Express	Ahmedabad	SG Road	Mid-scale
2.	Holiday Inn Express	Bangalore	Whitefield	Mid-scale
3.	Holiday Inn Express	Pune	Hinjewadi	Mid-scale
4.	Holiday Inn Express	Gurgaon	Sohna Road	Mid-scale
5.	Holiday Inn Express	Pune	Pimpri	Mid-scale
6.	Holiday Inn Express	Hyderabad	Hi-tech City	Mid-scale
7.	Holiday Inn Express	Nashik	Ambad	Mid-scale
8.	Holiday Inn Express	Chennai	OMR	Mid-scale
9.	Holiday Inn Express	Hyderabad	Banjara Hills	Mid-scale
10.	Holiday Inn Express	Bangalore	Tumkur Road	Mid-scale
11.	Caspia Pro	Greater Noida	Knowledge Park	Mid-scale

All the hotel assets under Argon and Barque are Ramp-Up Assets.

RECONCILIATION OF PROFIT AFTER TAX TO ADJUSTED EBITDA

(₹ in million)

	Adjusted EBITDA for period ending June 30, 2019														
	Hyatt Regency, Pune	**Sheraton Hyderabad**	**Courtyard by Marriott, Bengaluru**	**Hyatt Place, Gurugram**	**Four Points by Sheraton, Ahmedabad**	**Four Points by Sheraton, Visakhapatnam**	**Fairfield by Marriott, Bengaluru, City Center**	**Fairfield by Marriott, Bengaluru**	**Fairfield by Marriott, Chennai, Sriperumbudur**	**Fairfield by Marriott, Coimbatore**	**Renaissance, Ahmedabad**	**Hotels under Barque**	**Hotels under Argon**	**Corporate**	**Total**
Profit/Loss for the year															**(586.42)**
Add: Tax expense/(income)															**(6.80)**
Profit/Loss before tax	**(81.76)**	**(39.51)**	**44.50**	**(15.98)**	**(19.53)**	**(15.03)**	**(20.91)**	**23.54**	**(11.86)**	**(24.96)**	**(43.45)**	**(131.35)**	**(49.20)**	**(207.72)**	**(593.22)**
Add:															
Finance Costs	99.47	77.18	41.08	29.59	16.20	15.33	31.96	22.12	19.15	16.69	24.31	80.36	17.14	134.21	624.79
Depreciation and Amortisation Expense	54.92	43.19	19.72	15.33	7.20	10.73	13.93	10.65	9.98	8.17	17.93	54.32	44.77	5.27	316.11
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**72.63**	**80.86**	**105.30**	**28.94**	**3.87**	**11.03**	**24.98**	**56.31**	**17.27**	**(0.10)**	**(1.21)**	**3.33**	**12.71**	**(68.24)**	**347.68**
Total Income	**236.30**	**220.44**	**219.54**	**86.00**	**27.85**	**47.80**	**70.09**	**104.78**	**51.34**	**27.66**	**60.48**	**184.97**	**122.97**	**12.21**	**1,472.43**
Room Revenue	122.52	118.27	144.71	61.75	19.93	27.10	45.08	85.39	37.88	17.00	30.39	149.35	88.32	-	947.69
F&B Revenue	97.09	79.38	59.20	20.35	6.66	18.73	20.58	11.70	9.99	9.49	26.43	25.19	26.02	-	410.81
Recreation & Other Services	12.84	16.71	10.69	2.84	0.73	1.63	3.66	5.40	2.58	0.98	3.24	3.97	6.46	-	71.73
Other Income	3.85	6.08	4.94	1.06	0.53	0.34	0.77	2.29	0.89	0.19	0.42	6.46	2.17	12.21	42.20

RECONCILIATION OF PROFIT AFTER TAX TO ADJUSTED EBITDA

(₹ in million)

	Adjusted EBITDA for period ending June 30, 2018														
	Hyatt Regency, Pune	**Sheraton Hyderabad**	**Courtyard by Marriott, Bengaluru**	**Hyatt Place, Gurugram**	**Four Points by Sheraton, Ahmedabad**	**Four Points by Sheraton, Visakhapatnam**	**Fairfield by Marriott, Bengaluru, City Center**	**Fairfield by Marriott, Bengaluru**	**Fairfield by Marriott, Chennai, Sriperumbudur**	**Fairfield by Marriott, Coimbatore**	**Renaissance, Ahmedabad**	**Hotels under Barque**	**Hotels under Argon**	**Corporate**	**Total**
Profit/Loss for the year															**(1,254.19)**
Add: Tax expense/(income)															**17.14**
Profit/Loss before tax	**(92.79)**	**(105.65)**	**26.40**	**(25.98)**	**(15.83)**	**(21.35)**	**(4.64)**	**13.48**	**(27.51)**	**(29.79)**	**(56.59)**	**(645.75)**	**(95.97)**	**(155.08)**	**(1,237.05)**
Add:															
Finance Costs	86.99	66.92	30.34	35.53	14.84	14.79	16.96	16.34	12.32	14.46	23.88	120.07	7.70	96.15	557.29
Depreciation and Amortisation Expense	69.99	45.22	23.35	15.22	7.32	12.39	13.23	12.57	9.46	8.08	18.96	30.27	28.42	4.87	299.35
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	456.34	39.39	-	495.73
Adjusted EBITDA	**64.19**	**6.49**	**80.09**	**24.77**	**6.33**	**5.83**	**25.55**	**42.39**	**(5.73)**	**(7.25)**	**(13.75)**	**(39.07)**	**(20.46)**	**(54.06)**	**115.32**
Total Income	**213.50**	**161.60**	**172.50**	**75.16**	**29.74**	**39.03**	**66.09**	**81.96**	**13.37**	**15.11**	**31.44**	**15.00**	**35.33**	**21.83**	**971.66**
Room Revenue	110.37	82.40	105.56	52.07	19.75	23.48	41.61	63.47	8.65	9.21	13.13	11.30	24.39	-	565.39
F&B Revenue	85.19	64.49	53.50	16.45	8.61	14.68	20.01	10.40	3.57	5.46	15.69	1.41	6.43	-	305.89
Recreation & Other Services	10.24	8.39	7.01	2.82	0.88	0.61	1.52	4.85	0.58	0.34	2.41	1.11	4.45	-	45.21
Other Income	7.70	6.32	6.43	3.82	0.50	0.26	2.95	3.24	0.57	0.10	0.21	1.18	0.06	21.83	55.17

RECONCILIATION OF PROFIT AFTER TAX TO ADJUSTED EBITDA

(₹ in million)

	Adjusted EBITDA for period ending March 31, 2019														
	Hyatt Regency, Pune	**Sheraton Hyderabad**	**Courtyard by Marriott, Bengaluru**	**Hyatt Place, Gurugram**	**Four Points by Sheraton, Ahmedabad**	**Four Points by Sheraton, Visakhapatnam**	**Fairfield by Marriott, Bengaluru, City Center**	**Fairfield by Marriott, Bengaluru**	**Fairfield by Marriott, Chennai, Sriperumbudur**	**Fairfield by Marriott, Coimbatore**	**Renaissance, Ahmedabad**	**Hotels under Barque**	**Hotels under Argon**	**Corporate**	**Total**
Profit/Loss for the year															**(3,034.14)**
Add: Tax expense/(income)															**4.26**
Profit/Loss before tax	**(318.95)**	**(243.12)**	**142.17**	**(76.91)**	**(45.52)**	**(72.75)**	**2.19**	**43.83**	**(71.66)**	**(89.58)**	**(164.53)**	**(1,065.33)**	**(232.52)**	**(837.20)**	**(3,029.88)**
Add:															
Finance Costs	373.71	284.64	161.42	151.75	61.84	59.24	69.02	86.92	56.11	59.07	96.63	301.21	40.72	453.81	2,256.09
Depreciation and Amortisation Expense	254.64	177.60	89.19	61.24	29.36	49.70	39.26	48.03	52.09	32.52	76.37	154.19	141.23	17.35	1,222.77
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	456.34	39.40	138.14	633.88
Adjusted EBITDA	**309.40**	**219.12**	**392.78**	**136.08**	**45.68**	**36.19**	**110.47**	**178.78**	**36.54**	**2.01**	**8.47**	**(153.59)**	**(11.17)**	**(227.90)**	**1,082.86**
Total Income	**921.98**	**760.44**	**792.09**	**359.53**	**154.01**	**178.59**	**288.49**	**364.70**	**154.24**	**103.37**	**225.04**	**242.07**	**301.26**	**55.17**	**4,900.98**
Room Revenue	490.17	409.54	488.67	253.78	106.47	106.83	186.75	289.47	104.66	63.59	109.35	196.66	210.90	-	3,016.84
F&B Revenue	361.76	283.23	240.84	84.00	40.18	67.57	86.16	41.21	33.95	36.27	99.78	24.06	63.26	-	1,462.27
Recreation & Other Services	46.94	46.93	34.94	12.49	5.27	2.29	7.04	21.53	9.05	2.41	12.25	6.64	20.80	-	228.58
Other Income	23.11	20.74	27.64	9.26	2.09	1.90	8.54	12.49	6.58	1.10	3.66	14.71	6.30	55.17	193.29

RECONCILIATION OF PROFIT AFTER TAX TO ADJUSTED EBITDA

(₹ in million)

	Adjusted EBITDA for period ending March 31, 2018														
	Hyatt Regency, Pune	**Sheraton Hyderabad**	**Courtyard by Marriott, Bengaluru**	**Hyatt Place, Gurugram**	**Four Points by Sheraton, Ahmedabad**	**Four Points by Sheraton, Visakhapatnam**	**Fairfield by Marriott, Bengaluru, City Center**	**Fairfield by Marriott, Bengaluru**	**Fairfield by Marriott, Chennai, Sriperumbudur**	**Fairfield by Marriott, Coimbatore**	**Renaissance, Ahmedabad**	**Hotels under Barque**	**Hotels under Argon**	**Corporate**	**Total**
Profit/Loss for the year															**(1,855.56)**
Add: Tax expense/(income)															**(175.05)**
Profit/Loss before tax	**(352.78)**	**(241.48)**	**54.43**	**(73.47)**	**(28.04)**	**(110.42)**	**(29.27)**	**0.94**	**(0.10)**	**(222.91)**	**(182.25)**	**(356.32)**	**(20.86)**	**(468.08)**	**(2,030.61)**
Add:															
Finance Costs	305.48	229.15	136.75	137.89	37.42	76.71	70.45	73.52	-	18.87	79.81	284.29	17.32	236.99	1,704.65
Depreciation and Amortisation Expense	274.06	181.46	93.63	67.88	32.99	49.50	52.84	50.42	-	19.61	64.53	180.90	59.38	17.73	1,144.93
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**226.76**	**169.13**	**284.81**	**132.30**	**42.37**	**15.79**	**94.02**	**124.88**	**(0.10)**	**(184.43)**	**(37.91)**	**108.87**	**55.84**	**(213.36)**	**818.97**
Total Income	**773.86**	**575.65**	**651.96**	**341.16**	**179.77**	**148.46**	**262.88**	**278.16**	**-**	**31.39**	**97.28**	**476.93**	**239.17**	**144.96**	**4,201.63**
Room Revenue	432.46	309.42	380.62	234.29	125.11	88.75	172.34	216.11	-	13.98	56.71	417.15	174.37	-	2,621.31
F&B Revenue	258.45	222.35	215.71	72.97	44.29	54.98	74.87	36.46	-	8.30	35.05	45.08	53.90	-	1,122.41
Recreation & Other Services	46.19	32.15	29.66	14.54	6.77	4.72	7.28	15.08	-	0.60	5.40	10.38	7.40	-	180.17
Other Income	36.76	11.73	25.97	19.36	3.60	0.01	8.39	10.51	-	8.51	0.12	4.32	3.50	144.96	277.74

RECONCILIATION OF PROFIT AFTER TAX TO ADJUSTED EBITDA

(₹ in million)

	Adjusted EBITDA for period ending March 31, 2017														
	Hyatt Regency, Pune	**Sheraton Hyderabad**	**Courtyard by Marriott, Bengaluru**	**Hyatt Place, Gurugram**	**Four Points by Sheraton, Ahmedabad**	**Four Points by Sheraton, Visakhapatnam**	**Fairfield by Marriott, Bengaluru, City Center**	**Fairfield by Marriott, Bengaluru**	**Fairfield by Marriott, Chennai, Sriperumbudur**	**Fairfield by Marriott, Coimbatore**	**Renaissance, Ahmedabad**	**Hotels under Barque**	**Hotels under Argon**	**Corporate**	**Total**
Profit/Loss for the year															**(1,202.19)**
Add: Tax expense/(income)															**(262.23)**
Profit/Loss before tax	**(213.41)**	**(278.29)**	**(50.09)**	**(70.64)**	**3.17**	**(139.93)**	**(56.61)**	**(61.94)**	**-**	**14.87**	**9.93**	**(247.93)**	**-**	**(373.55)**	**(1,464.42)**
Add:															-
Finance Costs	219.08	157.00	143.14	106.63	18.43	68.00	75.18	76.64	-	-	0.02	181.93	-	170.09	1,216.14
Depreciation and Amortisation Expense	270.68	171.30	92.97	72.53	36.98	48.32	56.03	50.06	-	-	60.50	151.27	-	18.63	1,029.27
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**276.35**	**50.01**	**186.02**	**108.52**	**58.58**	**(23.61)**	**74.60**	**64.76**	**-**	**14.87**	**70.45**	**85.27**	**-**	**(184.83)**	**780.99**
Total Income	**854.03**	**424.40**	**515.19**	**309.84**	**170.16**	**110.71**	**237.68**	**194.78**	**-**	**15.96**	**187.25**	**413.14**	**-**	**138.56**	**3,571.70**
Room Revenue	458.62	210.53	297.62	212.09	118.72	66.31	146.28	132.95	-	-	123.10	361.98	-	-	2,128.20
F&B Revenue	275.22	160.14	154.46	69.81	44.73	34.94	73.90	33.14	-	-	58.31	37.07	-	-	941.72
Recreation & Other Services	52.06	27.66	26.78	12.88	5.46	6.95	8.05	9.13	-	-	4.50	8.92	-	-	162.39
Other Income	68.13	26.07	36.33	15.06	1.25	2.51	9.45	19.56	-	15.96	1.34	5.17	-	138.56	339.39

GENERAL INFORMATION

Our Company was incorporated as "SAMHI Hotels Private Limited" on December 28, 2010, as a private limited company under the Companies Act 1956, at New Delhi, with a certificate of incorporation granted by the RoC. On the conversion of our Company to a public limited company, pursuant to a resolution passed by our shareholders on August 2, 2019 our name was changed to "SAMHI Hotels Limited" and a fresh certificate of incorporation dated August 16, 2019 was issued by the RoC. For details of change in name and registered office of our Company, see "***History and Certain Corporate Matters***" on page 151.

Registration Number: 211816

Corporate Identity Number: U55101DL2010PLC211816

Registered Office
Caspia Hotels Delhi, District Centre Crossing
Opposite Galaxy Toyota, Outer Ring Road
Haider Pur, Shalimar Bagh
Delhi 110 088, India

Corporate Office
14th Floor, Building 10C
Cyber City, Phase II
Gurugram 122 002
Haryana, India
Telephone: +91 124 491 0100
Website: www.samhi.co.in

Address of the Registrar of Companies

Our Company is registered with the RoC, located 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
Telephone: +91 11 2623 5703

Board of Directors

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

Name and Designation	DIN	Address
Ashish Jakhanwala *Designation:* Chairman, Managing Director and Chief Executive Officer	03304345	C-4/4038, Vasant Kunj, New Delhi 110 070, India
Brian Douglas Finerty *Designation:* Non-executive Director	08543173	861, Grove Street, Glencoe, Illinois, Unites States
Manav Thadani *Designation:* Non-executive Director	00534993	411, The Aralias, DLF Golf Links, DLF Golf Course Phase 5, Gurgaon, Haryana 122 009, India
Michael Peter Schulhof *Designation:* Non-executive Director	01884261	136 Egypt Lane, East Hampton, New York, United States of America, 11937
Anita Ramachandran *Designation:* Independent Director	00118188	2401/2402, Raheja Atlantis, G.K. Marg, Lower Parel, Mumbai 400 013, Maharashtra, India
Arjun Sharma	00003306	27 Sunder Nagar, New Delhi 110 003, India

Name and Designation	DIN	Address
Designation: Independent Director		
Bonnie Susan Gottlieb *Designation:* Independent Director	08542017	3601, Connecticut Avenue, N.W., Apartment 504, Washington, DC, 20008, United States
Dilip Puri *Designation*: Independent Director	02162778	Flat No 15-A, Tower 19(I), Central Park Resorts, Hero Honda Road, Subhash Chowk, Sector 48, Islampur, Gurgaon, Haryana 122 018, India

For brief profiles and further details in respect of our Directors, see "***Our Management***" on page 161.

Company Secretary and Compliance Officer

Sanjay Jain is our Company Secretary and Compliance Officer. His contact details are as follows:

Sanjay Jain
14th floor, Building 10C
Cyber City, Phase II
Gurugram 122 002
Haryana, India
Telephone: +91 124 491 0100
E-mail: compliance@samhi.co.in

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer 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 or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer 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 Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, 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 BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Telephone**: +91 22 4336 0000 **E-mail**: samhi.ipo@kotak.com **Investor Grievance E-mail**: kmccredressal@kotak.com **Website**: www.investmentbank.kotak.com **Contact Person**: Ganesh Rane **SEBI Registration No.**: INM000008704	**CLSA India Private Limited** 8/F, Dalamal House, Nariman Point Mumbai 400 021 Maharashtra, India **Telephone**: +91 22 6650 5050 **E-mail**: samhihotels.ipo@clsa.com **Investor Grievance E-mail:** investor.helpdesk@clsa.com **Website**: www.india.clsa.com **Contact Person**: Prachi Chandgothia **SEBI Registration No.**: INM000010619

DSP Merrill Lynch Limited Ground Floor, “A” Wing One BKC, “G” Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Telephone**: +91 22 6632 8000 **E-mail**: dg.samhi_ipo@baml.com **Investor Grievance E-mail**: dg.india_merchantbanking@baml.com **Website**: www.ml-india.com **Contact Person**: Vivek Arora **SEBI Registration No.**: INM000011625	**Goldman Sachs (India) Securities Private Limited*** Rational House, 951/A Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Telephone**: +91 22 6616 9000 **E-mail**: gs-gssamhiipo@gs.com **Investor Grievance E-mail**: india-client-support@gs.com **Website**: www.goldmansachs.com **Contact Person**: Mrinalini Baral **SEBI Registration No.**: INM000011054

******GSA is proposing to participate as a Selling Shareholder in the Offer for Sale. GS Securities has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. GS Securities and GSA are associates in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, GS Securities would be involved only in the marketing of the Offer.*

Statement of *inter se* allocation of responsibilities among the Book Running Lead Managers

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	All BRLMs*	Kotak
2.	Drafting and approval of all statutory advertisement	All BRLMs*	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	All BRLMs*	CLSA
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, printers, Banker(s) to the Offer, Monitoring Agency and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	All BRLMs*	CLSA
5.	Preparation of road show presentation and frequently asked questions	All BRLMs	GS Securities
6.	International institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	All BRLMs	DSPML and CLSA
7.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	All BRLMs	DSPML and CLSA
8.	Retail and non-institutional marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	All BRLMs	Kotak
9.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination and intimation of anchor allocation.	All BRLMs*	DSPML
10.	Managing the book and finalization of pricing in consultation with the Company	All BRLMs*	DSPML
11.	Post-issue activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising our Company about the closure of the Offer, based on correct figures,	All BRLMs*	Kotak

S. No.	Activity	Responsibility	Coordinator
	finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Issue.		

**GSA is proposing to participate as a Selling Shareholder in the Offer for Sale. GS Securities has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. GS Securities and GSA are associates in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, GS Securities would be involved only in the marketing of the Offer.*

Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
India
Telephone: +91 11 4159 0700

Legal Counsel to the BRLMs as to Indian Law

L&L Partners*
1st & 9th Floors
Ashoka Estate, Barakhamba Road
New Delhi 110 001
India
Telephone: +91 11 4121 5100
**Formerly known as Luthra & Luthra Law Offices*

International Legal Counsel to the Company and the BRLMs

Sidley Austin LLP
Level 31, Six Battery Road
Singapore 049 909
Telephone: +65 6230 3900

Legal Counsel to Blue Chandra and GTI as to Indian law	Legal Counsel to GSA as to Indian law
AZB & Partners AZB House, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400 013 Maharashtra, India **Telephone**: +91 22 6639 6880	**AZB & Partners** AZB House, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400 013 Maharashtra, India **Telephone**: +91 22 6639 6880

Legal Counsel to IFC as to Indian law

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

Registrar to the Offer

Karvy Fintech Private Limited
Karvy Selenium Tower-B
Plot 31 & 32, Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032, Telangana, India
Telephone: +91 40 6716 2222
E-mail: samhi.ipo@karvy.com
Website: www.karvyfintech.com
Investor Grievance E-mail: einward.ris@karvy.com
Contact Person: M Murali Krishna

Escrow Collection Bank(s)

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Self Certified Syndicate Banks

The list of SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

SCSBs enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

Statutory Auditors of our Company

B S R & Co. LLP
Building No.10, 8th Floor, Tower – B
DLF Cyber City, Phase – II
Gurugram 122 002, India
Telephone: +91 124 719 1000
E-mail: vadvani@bsraffiliates.com
Peer Review No.: 011748
Firm Registration No.: 101248W/W-100022

Changes in auditors

Except as disclosed below, there has been no change in the statutory auditors of the Company during the last three years:

Name of the Auditors	Date of change	Reason for change
B S R & Associates LLP* Building No.10, 8th Floor, Tower – B DLF Cyber City, Phase – II Gurugram 122 002, Haryana, India **E-mail**: mgupta2@bsraffiliates.com **Peer Review No.:** 011719 **Firm Registration No**.: 116231W/W-100024	September 28, 2017	B S R & Co. LLP and B S R & Associates LLP are part of the B S R & Affiliates network registered with the ICAI. In order to rationalize the number of firms in the network, resources and related compliances, the audit of our Company was accepted in B S R & Co. LLP instead of B S R & Associates LLP, in the annual general meeting held on September 28, 2017. Both B S R & Co. LLP and B S R & Associates LLP continue to be part of B S R & Affiliates network registered with the ICAI.
B S R & Co. LLP Building No.10, 8th Floor, Tower – B DLF Cyber City, Phase – II Gurugram 122 002 Haryana, India **E-mail**: vadvani@bsraffiliates.com **Peer Review No.:** 011748 **Firm Registration No**.: 101248W/W-100022	September 28, 2017	Appointment as Statutory Auditors to fill the vacancy caused by the resignation of B S R & Associates LLP.

B S R & Co., LLP, our current statutory auditors and B S R & Associates, LLP (“B S R & Associates**”), our statutory auditors for the Financial Year 2017, are part of a network registered with the Institute of Chartered Accountants of India (“**ICAI**”), and each of these two audit firms is separately registered with ICAI. It has been reported that, in connection with certain alleged lapses identified by the Serious Fraud Investigation Office in one of its audit assignments, the Ministry of Corporate Affairs in India has filed petition/ applications with the National Company Law Tribunal, seeking an order under Section 140(5) of the Companies Act to impose a restriction on B S R & Associates from being appointed as an auditor of any company for a five-year period, (the “**Proposed Restriction**”) and certain other orders. B S R & Associates has in proceedings before Bombay High Court challenged the validity of Section 140(5) of the Companies Act. Pursuant to the order of Bombay High Court, the proceedings under Section 140(5) of the Companies Act with NCLT has been adjourned sine die. The matter is currently sub-judice. The Proposed Restriction, if imposed, would prevent B S R & Associates from being appointed as an auditor of any company for a period of five years. Since B S R & Co LLP and B S R & Associates are separately registered with the ICAI, the Proposed Restriction, if imposed on B S R & Associates is not expected to impact B S R & Co LLP’s role as statutory auditors of the Issuer.*

Bankers to our Company

HDFC Bank Limited
FIG-OPS Department-Lodha, I Think Techno Campus
O-3 Level, Next to Kanjurmarg, Railway Station
Kanjurmarg (East), Mumbai 400 042
Telephone: +91 22 3075 2927/ +91 22 3075 2928/+91 22 3075 2914
Website: www.hdfcbank.com
Contact Persons: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchill
E-mail: Vincent.Dsouza@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com

IndusInd Bank Limited
2401, Gen Thimmaya Road
Pune 411 001, India
Telephone: +91 124 474 9736
Website: www.indusind.com
Contact Person: Pallavi Srivastava
E-mail: pallavi.srivastava@indusind.com

Standard Chartered Bank
Crescenzo, C-38/39, G-Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Telephone: +91 22 6115 8053
Website: www.sc.com/in
Contact Person: Nimisha Srivastava
E-mail: nimisha.srivastava@sc.com

The Jammu and Kashmir Bank Limited
G-42, Connaught Place
New Delhi 110 001
Telephone: +91 11 2331 5733/ +91 11 2331 5735
Website: www.jkbank.net
Contact Person: Rozy Tickoo
E-mail: circus@jkbmail.com

Grading of the Offer

No credit rating agency registered with SEBI has been appointed for grading of the Offer.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC.

Expert

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

Our Company has received written consent dated September 23, 2019 from the independent Statutory Auditors namely, B S R & Co. LLP, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as an independent Statutory Auditor and in respect of their (i) examination report dated September 21, 2019 on our restated financial information; and (ii) their report dated September 23, 2019 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Additionally, our Company has also received a consent dated September 24, 2019 from HVS, to include their name in this Draft Red Herring Prospectus as required under the Companies Act 2013 and as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act 2013.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Trustees

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

Filing of this Draft Red Herring Prospectus

This Draft Red Herring Prospectus has been filed with SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India

The Red Herring Prospectus and Prospectus will be filed, along with the material contracts and documents referred to in the Red Herring Prospectus at:

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019, India

Book Building Process

Book building, in the context of the Offer, 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. The Price Band will be decided by our Company, Blue Chandra and GSA, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer will be on a proportionate basis. For further details on method and process of Bidding, see "***Offer Structure***" and "***Offer Procedure***" on pages 323 and 326, respectively.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. 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 filing of the Prospectus with the RoC.

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

The abovementioned amounts are provided for indicative purposes only and will be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below.

	Particulars	Aggregate nominal value *(in ₹)*	Aggregate value at Offer Price *(in ₹)*
A)	**AUTHORIZED SHARE CAPITAL***		
	130,000,000 equity shares of face value of ₹ 1 each	130,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AS OF THE DATE OF THIS DRAFT RED HERRING PROSPECTUS**		
	76,270,704** Equity Shares of face value of ₹ 1 each	76,270,704	[●]
C)	**OFFER**		
	Offer of [●] Equity Shares aggregating ₹ [●] million	[●]	[●]
	Of which:		
	Fresh Issue of [●] Equity Shares aggregating up to ₹ 11,000 million#^	[●]	[●]
	Offer for Sale of up to 19,145,624 Equity Shares aggregating ₹ [●] million##	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Prior to the Offer (*as on date of this Draft Red Herring Prospectus*)		11,006,892,658
	After the Offer		[●]

* *For details in relation to changes in the authorized share capital of our Company, see "**History and Certain Corporate Matters – Amendments to our Memorandum of Association**" on page 151.*

** *An aggregate of 1,260,000 IFC CCDs will be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms and conditions of the IFC CCDs.*

\# *The Offer has been authorized by our Board pursuant to its resolution dated September 2, 2019 and by a resolution of our Shareholders adopted at the meeting held on September 5, 2019.*

\#\# *Each of the Selling Shareholders has authorized the sale of its respective portions in the Offer for Sale. For details see "**The Offer**" and "**Other Regulatory and Statutory Disclosures**" on pages 54 and 308, respectively.*

^ *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid up equity share capital of our Company.*

Notes to Capital Structure

1. Share Capital History of our Company

(a) *History of equity share capital of our Company*

The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Names of allottee	Reason / nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
December 28, 2010	100,000 equity shares each to Ashish Jakhanwala and Manav Thadani	Initial subscription to the Memorandum of Association	200,000	10	10.00	Cash
October 10, 2011	GTI Samhi Pte. Limited	Further issue	18,184	10	970.00	Cash
October 20, 2011	957,747 equity shares to Blue Chandra Pte. Ltd., 597,873 equity shares to GTI Samhi Pte. Limited and 10,239 equity shares to Shree Naman Developers Private Limited	Further issue	1,565,859	10	970.00	Cash
March 2, 2012	618,553 equity shares to Blue Chandra Pte. Ltd.	Further issue	622,577	10	970.00	Cash

Date of allotment	Names of allottee	Reason / nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	and 4,024 equity shares to Shree Naman Developers Private Limited					
June 1, 2012	480,053 equity shares to Blue Chandra Pte. Ltd., 69,394 equity shares to GTI Samhi Pte. Limited and 3,574 equity shares to Shree Naman Developers Private Limited	Further issue	553,021	10	970.00	Cash
October 30, 2012	629,798 equity shares to Blue Chandra Pte. Ltd., 209,933 equity shares to GTI Samhi Pte. Limited and 5,463 equity shares to Shree Naman Developers Private Limited	Further issue	845,194	10	1,370.00	Cash
June 27, 2013	38,172 equity shares to Ray Ltd. and 19,086 equity shares to Thadani Hospitality LLP	Further issue	57,258	10	1,100.00	Cash
	212,907 equity shares to Blue Chandra Pte. Ltd., 70,969 equity shares to GTI Capital Alpha Pvt Ltd and 1,847 equity shares to Shree Naman Developers Private Limited	Further issue	285,723	10	1,370.00	Cash
September 12, 2013	100,941 equity shares to Blue Chandra Pte. Ltd., 33,647 equity shares to GTI Capital Alpha Pvt Ltd and 876 equity shares to Shree Naman Developers Private Limited	Further issue	135,464	10	7,426.00	Cash
	1,828 equity shares to Ray Ltd. and 914 equity shares to Thadani Hospitality LLP	Further issue	2,742	10	5,467.00	Cash
December 11, 2015	1 equity share to GTI Capital Alpha Pvt Ltd on conversion of 390,000 of 0.001% unsecured cumulative series 1 fully, compulsorily	Conversion of 0.001% unsecured cumulative series 1 fully, compulsorily and mandatorily convertible	1	10	3,900,000(1)	Cash(2)

Date of allotment	Names of allottee	Reason / nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
	and mandatorily convertible debentures of ₹ 10 each	debentures into an equity share				
December 18, 2015	764,115 equity shares to Blue Chandra Pte Ltd., 269,987 equity shares to GTI Capital Alpha Pvt Ltd, 17,829 equity shares to Ashish Jakhanwala, 17,829 equity shares to Manav Thadani, 10,188 equity shares to Ray Ltd., 6,628 equity shares to Shree Naman Developers Private Limited and 5,094 equity shares to Thadani Hospitality LLP	Rights issue	1,091,670	10	1,154.19	Cash
December 23, 2015	Goldman Sachs Investments Holdings (Asia) Limited	Private placement	2,111,976	10	2,088.09	Cash
Pursuant to shareholders' resolution dated August 2, 2019 each equity share of the Company of face value of ₹10 each was split in 10 equity shares of ₹1 each, therefore an aggregate of 7,489,669 equity shares of ₹10 each were split into 74,896,690 equity shares of ₹1 each.						
September 21, 2019	447,515 Equity Shares to GTI Capital Alpha Pvt Ltd, 903,932 Equity Shares to Goldman Sachs Investments Holdings (Asia) Limited, 5,990 Equity Shares to Shree Naman Developers Private Limited, 4,604 Equity Shares to Thadani Hospitality LLP and 11,973* Equity Shares to Amit Jain	Rights issue	1,374,014	1	208.81	Cash

(1)In the return of allotment filed with the RoC in Form PAS-3 in respect of this issuance, the premium amount was inadvertently and erroneously stated as nil.

(2)Paid at the time of subscription to the 0.001% unsecured cumulative series 1 fully compulsorily and mandatorily convertible debentures of ₹ 10 each.

* *11,973 Equity Shares were allotted to Amit Jain pursuant to renunciation of a part of its rights entitlement by GTI Capital Alpha Pvt Ltd.*

Conversion of outstanding IFC CCDs

As on the date of this Draft Red Herring Prospectus, IFC holds an aggregate of 1,260,000 IFC CCDs. In accordance with the terms of the subscription agreement to the IFC CCDs dated August 12, 2014 and the SHA, the IFC CCDs are compulsorily convertible into Equity Shares based on the conversion formula agreed under the terms and conditions of the IFC CCDs, which is based on certain factors, including among others, the estimated price band for the Offer, at the time of conversion of the IFC CCDs. As agreed between the Company and IFC under the subscription agreement dated August 12, 2014 and the SHA, all IFC CCDs shall be converted into a maximum of 6,565,230 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC, as required under the SEBI ICDR Regulations.

(b) Equity shares issued for consideration other than cash

Our Company has not issued any equity shares for consideration other than cash since its incorporation.

2. Issue of equity shares in the last one year

Except as disclosed below, our Company has not issued any equity shares in the last one year immediately preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Names of allottee	Reason/nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of considera tion
September 21, 2019	447,515 Equity Shares to GTI Capital Alpha Pvt Ltd, 903,932 Equity Shares to Goldman Sachs Investments Holdings (Asia) Limited, 5,990 Equity Shares to Shree Naman Developers Private Limited, 4,604 Equity Shares to Thadani Hospitality LLP and 11,973* Equity Shares to Amit Jain	Rights issue	1,374,014	1	208.81	Cash

** 11,973 Equity Shares were allotted to Amit Jain pursuant to renunciation of a part of its rights entitlement by GTI Capital Alpha Pvt Ltd.*

3. Equity shares issued out of revaluation reserves

Our Company has not issued any equity shares out of revaluation reserves since its incorporation.

4. Details of lock-in

(a) Details of Equity Shares locked-in for three years

Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, there is no requirement of minimum promoter's contribution in this Offer and accordingly, none of the Equity Shares will be locked in for a period of three years pursuant to the Offer.

(b) Details of Equity Shares locked-in for one year

In terms of Regulations 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital will be locked-in for a period of one year from the date of Allotment, other than (a) Equity Shares which are successfully transferred as part of the Offer for Sale; and (b) any Equity Shares allotted to employees, whether currently an employee or not, pursuant to the ESOP Schemes prior to the Offer.

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

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

(d) Other Requirements in respect of Lock-in

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Shareholders prior to the Offer and locked-in for a period of one year may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the applicable lock-in and the transferee being ineligible to transfer such Equity Shares until expiry of the lock-in period, and compliance with the provisions of the Takeover Regulations.

5. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % 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 total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	**Promoter & Promoter Group**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(B)	**Public**	9	76,270,704	Nil	Nil	76,270,704	100	76,270,704	N.A.	76,270,704	100	6,565,230*	100	-	-	N.A.	N.A.	38,127,684
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	**Shares underlying Custodian/Depository Receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	**Shares held by Employee Trust**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	9	76,270,704	-	-	76,270,704	100	76,270,704	-	76,270,704	100	6,565,230*	100	-	-	-	-	38,127,684

Assuming conversion of the 1,260,000 IFC CCDs into 6,565,230 Equity Shares, which is the maximum number of Equity Shares that the IFC CCDs may convert into. The specific number of Equity Shares that such IFC CCDs will convert into shall be determined at the time of conversion, prior to filing of the Red Herring Prospectus with the RoC, in accordance with the terms of the IFC CCDs. For details, see* *" – Notes to Capital Structure – Conversion of outstanding IFC CCDs"*** *on page 80.*

6. Except for 22,023,692 Equity Shares held by GSA (GS Securities and GSA are associates in terms of the SEBI Merchant Bankers Regulations), the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on 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.

7. Shareholding of our Directors and Key Managerial Personnel in our Company

Except for Ashish Jakhanwala and Manav Thadani who each hold 878,290 Equity Shares, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company. For stock options held by our Key Managerial Personnel, see "***– Notes to Capital Structure – Employee Stock Option Schemes***" on page 85.

8. Details of shareholding of the major Shareholders of our Company

(a) As on the date of this Draft Red Herring Prospectus, our Company has nine Shareholders. The 1,260,000 IFC CCDs shall be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to filing of the Red Herring Prospectus with the RoC, as required under the SEBI ICDR Regulations. Consequently, IFC shall be an additional shareholder at the time of filing the Red Herring Prospectus with the RoC.

(b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

S. No.	Shareholder	Number of Equity Shares of face value of ₹ 1 each held	Percentage of Equity Share Capital held (%)	Pre-Offer Equity Shares of face value of ₹ 1 each
1.	Blue Chandra Pte. Ltd.	37,641,140	49.35%	37,641,140#
2.	Goldman Sachs Investments Holdings (Asia) Limited	22,023,692	28.88%	22,023,692#
3.	GTI Capital Alpha Pvt Ltd	13,747,395	18.02%	13,747,395#
4.	International Finance Corporation*	-	-	Up to 6,565,230*
5.	Ashish Jakhanwala	878,290	1.15%	878,290#
6.	Manav Thadani	878,290	1.15%	878,290#
	Total	**75,168,807**	**98.55%**	**81,734,037***

#*In terms of the Call Option Agreements, these Shareholders (as well as Ray Ltd., Shree Naman Developers Private Limited and Thadani Hospitality LLP) may acquire or transfer Equity Shares through relevant inter-se transfers in accordance with the terms of the relevant Call Option Agreement. Since, as on the date of this Draft Red Herring Prospectus, it cannot be determined whether the options under the respective Call Option Agreements will be triggered, or if triggered, the number of Equity Shares that will be the subject of such call options, the pre-Offer shareholding of these Shareholders cannot be estimated and provided (to the extent of any Equity Shares that they may transfer or acquire pursuant to the Call Option Agreements). The options under the Call Option Agreements will either be exercised or will terminate, as applicable, prior to filing of the Red Herring Prospectus with the RoC. Accordingly, the pre-Offer shareholding of these Shareholders will be updated in the Red Herring Prospectus. For details of the Call Option Agreements, see "***History and Certain Corporate Matters – Agreements with Key Managerial Personnel, Director or any other employee***" on page 159.*

Assuming conversion of the 1,260,000 IFC CCDs into 6,565,230 Equity Shares, which is the maximum number of Equity Shares that the IFC CCDs may convert into. The specific number of Equity Shares that such IFC CCDs will convert into shall be determined at the time of conversion, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms of the IFC CCDs. For details, see* "*– Notes to Capital Structure – Conversion of outstanding IFC CCDs***" *on page 80.*

(c) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

S. No.	Shareholder	No. of Equity Shares of face value of ₹ 1 each held	Percentage of Equity Share Capital held (%)	No. of Equity Shares of face value of ₹ 1each assuming conversion of IFC CCDs
1.	Blue Chandra Pte. Ltd.	37,641,140	50.26%	37,641,140#
2.	Goldman Sachs Investments Holdings (Asia) Limited	21,119,760	28.20%	21,119,760#
3.	GTI Capital Alpha Pvt Ltd	13,299,880	17.76%	13,299,880#
4.	International Finance Corporation*	-	-	Up to 6,565,230*
5.	Ashish Jakhanwala	878,290	1.17%	878,290#
6.	Manav Thadani	878,290	1.17%	878,290#
	Total	**73,817,360**	**98.56%**	**80,382,590***

*#In terms of the Call Option Agreements, these Shareholders (as well as Ray Ltd., Shree Naman Developers Private Limited and Thadani Hospitality LLP) may acquire or transfer Equity Shares through relevant inter-se transfers in accordance with the terms of the relevant Call Option Agreement. Since, as on the date of this Draft Red Herring Prospectus, it cannot be determined whether the options under the respective Call Option Agreements will be triggered, or if triggered, the number of Equity Shares that will be the subject of such call options, the pre-Offer shareholding of these Shareholders cannot be estimated and provided (to the extent of any Equity Shares that they may transfer or acquire pursuant to the Call Option Agreements). The options under the Call Option Agreements will either be exercised or will terminate, as applicable, prior to filing of the Red Herring Prospectus with the RoC. Accordingly, the pre-Offer shareholding of these Shareholders will be updated in the Red Herring Prospectus. For details of the Call Option Agreements, see "**History and Certain Corporate Matters – Agreements with Key Managerial Personnel, Director or any other employee**" on page 159.*

Assuming conversion of the 1,260,000 IFC CCDs into 6,565,230 Equity Shares, which is the maximum number of Equity Shares that the IFC CCDs may convert into. The specific number of Equity Shares that such IFC CCDs will convert into shall be determined at the time of conversion, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms of the IFC CCDs. For details, see "– Notes to Capital Structure - Conversion of outstanding IFC CCDs**" on page 80.*

(d) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of (i) one year, and (ii) two years, prior to the date of this Draft Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

S. No.	Shareholder	No. of equity shares of face value of ₹ 10 each held	Percentage of equity share capital held (%)	No. of equity shares of face value of ₹ 10 each assuming conversion of IFC CCDs
1.	Blue Chandra Pte. Ltd.	3,764,114	50.26%	3,764,114#
2.	Goldman Sachs Investments Holdings (Asia) Limited	2,111,976	28.20%	2,111,976#
3.	GTI Capital Alpha Pvt Ltd	1,329,988	17.76%	1,329,988#
4.	International Finance Corporation*	-	-	Up to 656,523*
5.	Ashish Jakhanwala	87,829	1.17%	87,829#
6.	Manav Thadani	87,829	1.17%	87,829#
	Total	**7,381,736**	**98.56%**	**8,038,259***

*#In terms of the Call Option Agreements, these Shareholders (as well as Ray Ltd., Shree Naman Developers Private Limited and Thadani Hospitality LLP) may acquire or transfer Equity Shares through relevant inter-se transfers in accordance with the terms of the relevant Call Option Agreement. Since, as on the date of this Draft Red Herring Prospectus, it cannot be determined whether the options under the respective Call Option Agreements will be triggered, or if triggered, the number of Equity Shares that will be the subject of such call options, the pre-Offer shareholding of these Shareholders cannot be estimated and provided (to the extent of any Equity Shares that they may transfer or acquire pursuant to the Call Option Agreements). The options under the Call Option Agreements will either be exercised or will terminate, as applicable, prior to filing of the Red Herring Prospectus with the RoC. Accordingly, the pre-Offer shareholding of these Shareholders will be updated in the Red Herring Prospectus. For details of the Call Option Agreements, see "**History and Certain Corporate Matters – Agreements with Key Managerial Personnel, Director or any other employee**" on page 159.*

Assuming conversion of the 1,260,000 IFC CCDs into 6,565,230 Equity Shares, which is the maximum number of Equity Shares that the IFC CCDs may convert into. The specific number of Equity Shares that such IFC CCDs will convert into shall be determined at the time of conversion, prior to the filing of the Red Herring Prospectus with the RoC, in accordance with the terms of the IFC CCDs. For details, see "– Notes to Capital Structure – Conversion of outstanding IFC CCDs**" on page 80.*

9. Employee Stock Option Schemes

Our Company has formulated four ESOP schemes, namely, Employee Stock Option Plan 2016 ("**ESOP – 2016**"), Employee Stock Option Plan 2019 – I ("**ESOP – 2019 – I**"), Employee Stock Option Plan 2019 – II

("**ESOP – 2019 – II**") and Employee Stock Option Plan 2019 – III ("**ESOP – 2019 – III**" and collectively, the "**ESOP Schemes**").

ESOP – 2016

Under ESOP – 2016, 2,598,680 options have been granted, 2,324,940 options have vested as on the date of this Draft Red Herring Prospectus, and none of these options have been exercised. No further grant of options will be made under ESOP – 2016.

The following table sets forth the particulars of the ESOP – 2016, including options granted under the ESOP – 2016 during the last three Financial Years, and as on the date of this Draft Red Herring Prospectus.

Particulars	Details			
	Fiscal 2017	**Fiscal 2018**	**Fiscal 2019**	**April 1, 2019 – September 23, 2019***
Total options outstanding as at the beginning of the period	Nil	259,868	259,868	2,598,680***
Total options granted	259,868	Nil	Nil	Nil
Pricing formula	Fixed price at the time of the grant	N.A.	N.A.	N.A.
Exercise price of options in ₹ (as on the date of grant options)*	27,579 options granted at ₹ 1,154 163,849 options granted at ₹ 1,300 12,440 options granted at ₹ 1,919 56,000 options granted at ₹ 2,248	N.A.	N.A.	N.A.
Options forfeited/lapsed/cancelled***	Nil			
Variation of terms of options	N.A.	N.A.	N.A.	N.A.*
Money realized by exercise of options	N.A.			
Total number of options outstanding in force	259,868	259,868	259,868	2,598,680***
Total options vested in each Fiscal (excluding the options that have been exercised)**	151,791**	49,141	31,562	Nil
Options exercised (since implementation of the ESOP scheme)##	Nil			
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	Nil			
Employee wise details of options granted to:				
(i) Key managerial personnel				
(a) Gyana Das*	58,439	Nil	Nil	Nil
(b) Vinay Gupta*	45,671	Nil	Nil	Nil
(c) Gaurav Sharma*	45,671	Nil	Nil	Nil
(d) Rajat Mehra*	38,996	Nil	Nil	Nil
(e) Sanjay Jain*	16,024	Nil	Nil	Nil
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year				
(a) Shubhra Sharma*#	18,801	N.A.	N.A.	N.A.

Particulars	Details			
	Fiscal 2017	Fiscal 2018	Fiscal 2019	April 1, 2019 – September 23, 2019*
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil			
Diluted earnings per share pursuant to the issue of equity shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'	-16.05	-24.77	-40.51	N.A.****
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	N.A.			
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 option	The fair value at grant date is determined using the binomial option pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.			
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed, in respect of options granted in the last three years	N.A.			
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Key Managerial Personnel may sell some Equity Shares allotted on the exercise of their options post-listing of the Equity Shares of our Company			
Intention to sell Equity Shares arising out of the ESOP scheme	N.A.			

Particulars	Details			
	Fiscal 2017	Fiscal 2018	Fiscal 2019	April 1, 2019 – September 23, 2019*
or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)				

As per ESOP – 2016, immediately prior to listing, all granted options would be vested.

Pursuant to the shareholders' resolution dated August 2, 2019, each equity share of our Company was split in 1:10 ratio and as per ESOP - 2016, pro-rata options split has been adjusted for both the number of options granted and the exercise price.

**As per ESOP-2016, while certain options that have been granted are deemed to have been vested as per the schedule of the scheme, such options cannot be exercised until achievement of the conditions mentioned in the scheme (i.e. liquidity event), and in no event earlier than the expiry of one year from date of grant of such options. If the liquidity event occurs prior to the first anniversary of the date of grant of an option, such option shall not be capable of vesting and shall lapse on the date of such liquidity event.*

***136,730 options would lapse since employees have left the organization. However, the same has not been considered since the communication for the same has not yet been issued by our Company.*

****Financials for April 1, 2019 - September 23, 2019 are not available, hence this value cannot be computed.*

#Shubhra Sharma left the Company on May 31, 2019.*

##No options have been exercised as on September 23, 2019.*

ESOP – 2019 – I

ESOP – 2019 – I was approved pursuant to a Board resolution dated September 2, 2019 and shareholders' resolution dated September 5, 2019. Our Statutory Auditors have, pursuant to their certificate dated September 23, 2019 confirmed that ESOP – 2019 – I is in compliance with the SEBI (SBEB) Regulations. Under ESOP – 2019 – I, an aggregate of 814,619 stock options may be granted to eligible employees, with each option being exercisable to receive one Equity Share. The exercise price per option will be determined by the Nomination and Remuneration Committee on the date of grant of options. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options under ESOP – 2019 – I. Our Company may grant options under ESOP – 2019 – I prior to the filing of the Red Herring Prospectus with the RoC.

ESOP – 2019 – II

ESOP – 2019 – II was approved pursuant to a Board resolution dated September 2, 2019 and shareholders' resolution dated September 5, 2019. Our Statutory Auditors have, pursuant to their certificate dated September 23, 2019 confirmed that ESOP – 2019 – II is in compliance with the SEBI (SBEB) Regulations. Under ESOP – 2019 – II, stock options amounting to an aggregate of up to 1.05% of the total number of post-Offer Equity Shares may be granted to eligible employees, with each option being exercisable to receive one Equity Share. The exercise price per option, will be determined by the Nomination and Remuneration Committee on the date of grant of options. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options under ESOP – 2019 – II. Our Company may grant options under ESOP – 2019 – II after the commencement of listing and trading of the Equity Shares of our Company.

ESOP – 2019 – III

ESOP – 2019 – III was approved pursuant to a Board resolution dated September 2, 2019 and shareholders' resolution dated September 5, 2019. Our Statutory Auditors have, pursuant to their certificate dated September 23, 2019 confirmed that ESOP – 2019 – III is in compliance with the SEBI (SBEB) Regulations. Under ESOP – 2019 – III, stock options amounting to an aggregate of up to 0.45% of the total number of post-Offer Equity Shares may be granted to eligible employees, with each option being exercisable to receive one Equity Share. The exercise price per option will be determined by the Nomination and Remuneration Committee on the date of grant of options. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options under the ESOP – 2019 – III. Our Company may grant options under ESOP – 2019 – III after the commencement of listing and trading of the Equity Shares of our Company.

10. None of our Directors or their relatives have sold or purchased any equity shares of our Company during the six months preceding the date of this Draft Red Herring Prospectus.

11. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

12. Our Company has not allotted any equity shares pursuant to any scheme of arrangement approved under Section 230 to 234 of the Companies Act 2013 or Sections 391 to 394 of the Companies Act, 1956.

13. Our Company, our Directors and the BRLMs have not entered into any buy-back or other arrangements for purchase of Equity Shares being offered through this Offer from any person.

14. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, or our Directors, 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 Offer.

15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

16. Except for options granted under ESOP **–** 2016 and the 1,260,000 IFC CCDs, our Company has no outstanding warrants, options to be issued Equity Shares or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

17. Except for (i) the Pre-IPO Placement; (ii) any issue of Equity Shares pursuant to exercise of options granted under the ESOP Schemes; and (iii) conversion of the 1,260,000 IFC CCDs into a maximum of 6,565,230 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC, there will be no 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 the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

18. Except for the issue of any Equity Shares pursuant to exercise of options granted under the ESOP Schemes, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer 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 into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares.

19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information, see "***Offer Procedure***" on page 326.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue and an Offer for Sale aggregating to ₹ [●] million.

The Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell an aggregate of up to 19,145,624 Equity Shares held by them. Our Company will not receive any proceeds from the Offer for Sale.

Fresh Issue

The net proceeds of the Fresh Issue, i.e. Gross proceeds of the Fresh Issue less the Offer Expenses apportioned to our Company ("**Net Proceeds**") are proposed to be utilised in the following manner:

1. repayment/prepayment of certain indebtedness availed by our Company and our Subsidiaries (including accrued interest);

2. payment of accrued interest on the IFC CCDs; and

3. general corporate purposes.

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges.

The main objects and the objects incidental and ancillary to the main objects of our MoA enables our Company and our Subsidiaries (i) to undertake our existing business activities; (ii) to undertake activities for which loans have been raised or shall be raised, which are proposed to be pre-paid/ repaid from the Net Proceeds; and (iii) to undertake activities for which funds are earmarked for general corporate purposes.

Net Proceeds

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

S. No	Particulars	Amount
(a)	Gross proceeds of the Fresh Issue	Up to ₹ 11,000 million
(b)	Less: Offer Expenses (only those apportioned to our Company)*	[●]**
(c)	Net Proceeds	[●]**

See "- Offer Related Expenses**" below.*

***To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Proposed schedule of Implementation and Utilization of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Offer identified below.

(₹ in million)

S. No	Particulars	Total estimated amount / expenditure	Amount to be deployed from the Net Proceeds in Fiscal 2020
1.	Repayment/prepayment of certain indebtedness availed by our Company and our Subsidiaries (including accrued interest)	9,500	[●]
2.	Payment of accrued interest on the IFC CCDs	602.48*	[●]
3.	General corporate purposes**	[●]	[●]
	Total Net Proceeds	[●]	**[●]**

**This is the amount of accrued interest on the IFC CCDs as on June 30, 2019 and is subject to increase depending on the timing of conversion of the IFC CCDs (which shall be prior to the filing of the RHP with the RoC).*

***To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25.00% of the gross proceeds of the Fresh Issue.*

If the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

Details of the Objects

1. Repayment/prepayment of certain indebtedness availed by our Company and our Subsidiaries (including accrued interest)

Our Company and our Subsidiaries have entered into various borrowing arrangements with banks and financial institutions including borrowings in the form of terms loans, and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see "***Financial Indebtedness***" on page 262. As on June 30, 2019, we had outstanding borrowings (including current and non-current borrowings, current portion of non-current borrowings as well as interest accrued and due on borrowings) of ₹ 21,249.14 million on a consolidated basis, which includes ₹ 1,862.48 million of IFC CCDs which shall be converted prior to filing of the Red Herring Prospectus with the RoC.

Our Company intends to utilize ₹ 9,500 million of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount on certain loans availed by our Company and our Subsidiaries and the accrued interest thereon in the case of certain loans availed by our Company and our Subsidiaries. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company and our Subsidiaries may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities obtained by our Company and our Subsidiaries. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹ 9,500 million. We believe that such repayment or prepayment will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs and enable utilization of the internal accruals for further investment towards 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 prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Our Company will invest in the relevant Subsidiaries by way of debt, and to the extent that the borrowings being repaid out of the Net Proceeds are borrowings of our Subsidiaries, our Company will provide the corresponding amount to the relevant Subsidiaries on an interest free basis, repayable at the option of the relevant Subsidiary.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

S. No	Name of the borrower	Name of the lender	Nature of loan	Amount outstanding as on June 30, 2019 (₹ in million)*	Interest rate as on June 30, 2019	Repayment schedule	Prepayment Conditions	Purpose for which the loan was sanctioned
1.	The Company	PHL Fininvest Private Limited	Term Loan	Term loan amount: 812.73 (which includes 62.73 as accrued interest)	13.65%	To be repaid in a single bullet payment at the end of three years from the date of first disbursement i.e., July 23, 2018.	Prepayment of outstanding amounts at any time after one year from the date of first disbursement by any means other than re-financing does not attract any prepayment charges.	General corporate purposes of the Company.
2.	Argon	Standard Chartered Bank	Term Loan	Term loan amount: 350.00	11.00 - 12.50%**	To be repaid by way of bullet payment at the end of three years from the date of first utilisation/ drawdown of the term loan facility i.e., January 4, 2018.	Prior notice of five days for voluntary prepayment of outstanding amounts on the interest reset date at the specified rate of interest under the facility agreement. In the event that voluntary prepayment is done on a date other than the interest reset date, a prepayment penalty, as may be decided by the lender, will be levied.	(i) General corporate purposes of Argon (excluding for any land purchase or capital market purposes); and (ii) capital expenditure of Argon for refurbishment and rebranding of the hotels owned/leased by Argon.
	Ascent	PHL Fininvest Private Limited	Term Loan and Overdraft	Term loan amount: 937.66 (which includes 55.66 as accrued interest) Overdraft amount: 318.54 (which includes 20.54 as accrued interest)	11.90% on Term Loan 12.65% on Overdraft	Term loan to be repaid after three years from the date of first disbursement, by way of 48 unequal quarterly instalments commencing on October 5, 2021. Overdraft facility to be repaid after 10 years from the date of first disbursement, by way of 20 unequal quarterly instalments commencing on October 5, 2028.	Prepayment of outstanding amounts at any time after one year from the date of first disbursement, from: (i) the various project receivables as defined under the facility agreement and/or, (ii) contributions from the Company does not attract any prepayment charges.	Term loan for (i) repayment of a prior loan availed by Ascent; and (ii) general corporate purposes. Overdraft facility for utilisation towards working capital requirements, reimbursement of project expenses and general corporate purposes.
		HDFC Limited	Term Loan	Term loan amount: 1,358.00	12.95%	To be repaid after a moratorium period of two years from the date of first disbursement, i.e., by way of 56 unequal quarterly instalments that commenced from May 4, 2018.	Prior notice of 15 days for voluntary prepayment of the whole or part of the outstanding facility without any prepayment premium if the loan is prepaid from, among others, operational cash flows or fresh capital from our Company.	(i) Refinancing/ repayment of whole or part of a prior loan availed by Ascent; (ii) part finance, acquisition and renovation of the *Hyatt Regency Pune* hotel; (iii) reimbursement of excess contribution brought in by the

S. No	Name of the borrower	Name of the lender	Nature of loan	Amount outstanding as on June 30, 2019 (₹ in million)*	Interest rate as on June 30, 2019	Repayment schedule	Prepayment Conditions	Purpose for which the loan was sanctioned
								Company (i.e., over and above the Company's contribution as specified under the loan agreement); and (iv) repayment or retirement of any other liability in the books of Ascent.
		HDFC Limited and DBS Bank Limited (*now DBS Bank India Limited*)	Term Loan	HDFC Limited loan amount: 446.50 HDFC Limited accrued interest: 80.90 DBS Bank Limited loan amount: 358.50 DBS Bank Limited accrued interest: 125.16	5.00% on HDFC Limited Term Loan 9.20% on DBS Bank Limited Term Loan	To be repaid by a bullet payment at the end of the tenor i.e., six years, from the date of first disbursement i.e., February 5, 2016 (for HDFC Limited) and February 12, 2016 (for DBS Bank Limited).	For DBS Bank Limited: Prior notice of seven days for prepayment of the whole or any part of the outstanding together with interest, fees, charges and an early redemption penalty as specified under the facility agreement.	(i) Repayment of certain prior facilities of Ascent; and (ii) general corporate purposes of Ascent.
3.	Barque	IL & FS Financial Services Limited	Term Loan	Term loan amount: 2,750.00	10.90%	To be repaid in a single bullet instalment at the end of 3 years from the date of first disbursement i.e. April 26, 2018.	Prior written notice of 30 days for voluntary prepayment, without any prepayment penalty provided that the prepayment is made from among others, (i) operational cash flows; or (ii) fresh infusion into Barque in the form of equity/shareholder's loan.	(i) Part finance of capex for the business strategy of discontinuing old Formule I brand followed by renovation/upgradation/rebranding of the hotel properties into new Holiday Inn Express brand; (ii) foreclosure of loans availed from banks for capex previously incurred for establishing the Formule I brand; and/or (iii) reimbursement/ repayment of short term facilities availed from SAMHI group for capex pending tie up of long term facilities.
4.	Caspia	Standard Chartered Bank	Term Loan	Term loan amount: 871.25	11.25%	To be repaid in 45 amortising quarterly instalments starting from May 31, 2017, i.e., one year from the date of disbursement.	Prior written consent of the lender will be required for prepayment and such prepayment will be subject to the conditions	(i) Development and renovation expenses to up-tier the *Renaissance Ahmedabad Hotel* or other similar brand as

S. No	Name of the borrower	Name of the lender	Nature of loan	Amount outstanding as on June 30, 2019 (₹ in million)*	Interest rate as on June 30, 2019	Repayment schedule	Prepayment Conditions	Purpose for which the loan was sanctioned
							stipulated by the lender (including, among others, prepayment charges).	acceptable to the lender; and (ii) part-refinancing of loans availed from the Company which were utilised for acquisition of *Renaissance Ahmedabad Hotel* (excluding land).
		HDFC Bank Limited	Term Loan and Overdraft	Term loan amount: 607.26 Overdraft amount: 13.20	10.05%	To be repaid after a moratorium period of one year, by way of 56 unequal quarterly instalments within 14 years, commencing from the first quarter of Fiscal 2019. Overdraft facility is repayable on demand.	Prior notice of 30 days for prepayment of the whole or any part of outstanding amounts.	Term loan for refinancing/repayment of whole or part of a prior loan availed by Caspia and reimbursement of capital expenditure and fresh capital expenditure. Overdraft to be utilised for meeting operational expenses of *Four Points by Sheraton Vishakhapatnam*
		State Bank of India	Term Loan and Overdraft	Term loan amount: 550.51 (which includes 5.51 as accrued interest) Overdraft amount: 6.18	12.30% on Term Loan 11.30% on Overdraft	To be repaid after a moratorium period of three years, by way of 48 unequal quarterly instalments to be paid at the end of each quarter ending in June 2020. Overdraft facility is repayable on demand.	Prior written notice of 30 days for prepayment of whole or part of the outstanding facility subject to a prepayment charge of 2%. No prepayment charges if prepayment is made from a fresh infusion in Caspia in the form of equity or instruments of similar nature or loan from its shareholders.	Term loan to part-finance construction of 128 keys mid-scale hotel property (*Fairfield by Marriott Coimbatore*), including reimbursement of the loan availed by Caspia from our Company. Overdraft to be utilised for meeting working capital requirements of *Fairfield by Marriott Coimbatore*.
5.	SAMHI Ahmedabad	Standard Chartered Bank	Overdraft	Overdraft amount: 175.73	10.70%	To be repaid in 48 amortising quarterly instalments starting from the immediate quarter of first disbursement i.e., from March 22, 2018.	Prior notice of five days for voluntary prepayment of outstanding amounts on the interest reset date at the specified rate of interest under the facility agreement. In the	Utilization for the operations of *Four Points by Sheraton Ahmedabad*.

S. No	Name of the borrower	Name of the lender	Nature of loan	Amount outstanding as on June 30, 2019 (₹ in million)*	Interest rate as on June 30, 2019	Repayment schedule	Prepayment Conditions	Purpose for which the loan was sanctioned
							event that voluntary prepayment is done on a date other than the interest reset date, a prepayment penalty, as may be decided by the lender, will be levied.	
		PHL Fininvest Private Limited	Term Loan and Overdraft	Term loan amount: 2,336.16 (which includes 136.16 as accrued interest) Overdraft amount: 262.13 (which includes 17.13 as accrued interest)	11.90% on Term Loan 12.65% on Overdraft	Term loan to be repaid after three years from the date of first disbursement, by way of 48 unequal quarterly instalments commencing on October 5, 2021. Overdraft facility to be repaid after ten years from the date of first disbursement, by way of 20 unequal quarterly instalments commencing on October 5, 2028.	Prepayment of outstanding amounts at any time after one year from the date of first disbursement i.e. July 23, 2018 from, among others, contributions from the Company does not attract any prepayment charges.	Term loan for (i) repayment of prior loan availed by SAMHI Ahmedabad; and (ii) general corporate purposes. Overdraft for utilisation towards working capital requirements, reimbursement of project expenses and general corporate purposes.
6.	SAMHI Gurgaon	IndusInd Bank Limited	Term Loan and Overdraft	Term loan amount: 1,149.39 Overdraft amount: 80.56	9.50% on Term Loan 9.65% on Overdraft	To be repaid in 44 unequal quarterly instalments that commenced in August 2018. Overdraft facility is repayable on demand.	No prepayment charges.	Term loan for (i) takeover of prior term loan availed by SAMHI Gurgaon; and (ii) reimbursement and funding of transaction costs incurred in financial years 2018 and 2019. Overdraft to be utilised for takeover of prior overdraft facility and for meeting short term cash flow mismatches and working capital requirements.
7.	SAMHI JV	PHL Fininvest Private Limited	Term Loan and Overdraft	Term loan amount: 2,123.71 (which includes 123.71 as accrued interest) Overdraft amount: 100.19 (which includes	11.90% on Term Loan 12.65% on Overdraft	Term loan to be repaid after three years from the date of first disbursement, by way of 48 unequal quarterly instalments commencing on October 5, 2021.	Prepayment of outstanding amounts at any time after one year from the date of first disbursement from, among others, contributions from the Company do not attract any	Term loan to be utilised for (i) repayment of prior loan availed by SAMHI JV and (ii) general corporate purposes. Overdraft to be utilised for

S. No	Name of the borrower	Name of the lender	Nature of loan	Amount outstanding as on June 30, 2019 (₹ in million)*	Interest rate as on June 30, 2019	Repayment schedule	Prepayment Conditions	Purpose for which the loan was sanctioned
				0.19 as accrued interest)		Overdraft facility to be repaid after 10 years from the date of first disbursement, by way of 20 unequal quarterly instalments commencing on October 5, 2028.	prepayment charges.	working capital requirements, reimbursement of project expenses and general corporate purposes.

**The amount outstanding as of June 30, 2019 has been certified by our Statutory Auditors by way of their certificate dated September 23, 2019. Further, our Statutory Auditors have confirmed that the above borrowings have been utilized for the purposes for which such borrowings were sanctioned.*
*** The loan was drawn in tranches and accordingly the applicable rate of interest is in the range of 11.00% - 12.50%.*

In addition to the above, we may, from time to time, enter into further borrowing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn-down prior to the completion of the Offer, we may utilize Net Proceeds of the Fresh Issue towards prepayment, repayment or redemption (earlier or scheduled) of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

2. Payment of interest on the IFC CCDs

Our Company issued 1,260,000 IFC CCDs pursuant to the subscription agreement dated August 12, 2014, on September 30, 2014. Pursuant to the terms of the SHA, the IFC CCDs issued shall be converted prior to filing the Red Herring Prospectus.

Pursuant to the terms of the SHA, the IFC CCDs bear an interest rate of 8.5% per annum, provided that all IFC CCDs are converted prior to September 30, 2021. Commencing from the date of subscription of the IFC CCDs, interest on the IFC CCDs accrues and may be paid by the Company at its option when due in accordance with the specified terms. In the event that the interest is not paid when due, a portion of such due but unpaid interest carries an additional interest of 2% p.a. (compounded on an annual basis) until the date of payment.

Our Company proposes to pay the total interest due to IFC (as applicable on the date of payment) from the Net Proceeds. In accordance with the interest payment terms described above, an amount of ₹ 602.48 million has accrued towards interest to IFC as on June 30, 2019. Such interest shall continue to accrue (and carry additional interest) until conversion of the IFC CCDs into Equity Shares, prior to filing of the Red Herring Prospectus. Accordingly, the actual amount that we will pay to IFC out of the Net Proceeds towards interest due on the IFC CCDs shall be updated in the Red Herring Prospectus.

3. *General corporate purposes*

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

(i) funding growth opportunities, including acquisitions;
(ii) servicing our repayment obligations (principal and interest) under our financing arrangements;
(iii) funding short term working capital requirements;
(iv) capital expenditure, including towards development/refurbishment/renovation of our assets;
(v) meeting ongoing general corporate purposes or contingencies; and/or
(vi) strategic initiatives.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilizing surplus amounts, if any.

Means of Finance

The fund requirements set out above are proposed to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from Fresh Issue.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Our Company and the Selling Shareholders will share the costs and expenses (including all applicable taxes, except STT which shall be borne by the respective Selling Shareholders) directly attributable to the Offer (excluding listing fees, audit fees of the Statutory Auditors and expenses for any corporate advertisements, i.e. any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) that will be borne by the Company), based on the proportion of the Equity Shares allotted by the Company in the Fresh Issue and sold by the respective Selling Shareholders in the Offer for Sale, subject to applicable law. Any expenses paid by the Company on behalf of Selling Shareholders in the first instance will be reimbursed to the Company, directly from the Public Offer Account.

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the Bankers to the Offer	[●]	[●]	[●]
Brokerage and selling commission payable to SCSBs, Registered Brokers, RTAs and CDPs, as applicable[(1)]	[●]	[●]	[●]
Processing fees to the SCSBs and to the Sponsor Bank for ASBA Forms procured by Registered Brokers, RTAs or CDPs [(2)]	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Fees to regulators, including stock exchanges	[●]	[●]	[●]
Others (i) Listing fees; (ii) Fees payable to legal counsels; and (iii) Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

** Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(1) Selling commission payable to members of the Syndicate, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Offer Price) would be as follows:

Portion for Retail Individual Investors	*[●]% (plus applicable goods and services tax)*
Portion for Non-Institutional Investors	*[●]% (plus applicable goods and services tax)*

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax).

(2) Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).

Processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

** Based on valid Bid cum Application Forms*

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. 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 Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to registering the Red Herring Prospectus with RoC, we will appoint a monitoring agency to monitor the utilization of the Net Proceeds as our Offer size (excluding the Offer for Sale by the Selling Shareholders) exceeds ₹ 1,000 million. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. 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 utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013.

Appraising Entity

None of the objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/financial institution.

Other Confirmations

No part of the Net Proceeds will be paid to our Directors, our Group Companies or our Key Managerial Personnel, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the Offer.

BASIS FOR OFFER PRICE

The Price Band will be determined by our Company, Blue Chandra and GSA, in consultation with the BRLMs, and the Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times 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 refer to "***Risk Factors***", "***Our Business***", "***Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 26, 107, 180 and 264, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- strategic locations in key urban consumption centres across India;
- ability to identify dislocated assets and our successful track record of acquisition led growth;
- our ability to work across hotel Segments with global hotel operators;
- our ability to create operating arbitrage using analytics tools and scale of our operations; and
- professional management team, strong corporate governance standards and marquee global institutional investors.

For further details, see ***"Risk Factors"*** and ***"Our Business"*** on pages 26 and 107, respectively.

Quantitative Factors

Some of information presented below relating to our Company is based on the on the Restated Financial Statements. For details, see ***"Financial Statements"*** on page 180.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. Basic and Diluted Earnings per Share ("EPS") at face value of ₹ 1 each:

As per Restated Financial Statements:

Year/Period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2019	(40.51)	3.00
March 31, 2018	(24.77)	2.00
March 31, 2017	(16.05)	1.00
Weighted Average	(31.19)	
Three months ended June 30, 2019*	(7.83)	

**Not annualised*

Notes:

1. *Earnings per share calculations are in accordance with Ind AS 33 (Earnings per Share).*
2. *The ratios have been computed as below:*
    a. *Basic earnings per share (₹) = Restated Net profit/loss attributable to equity shareholders / weighted average number of shares outstanding during the year.*
    b. *Diluted earnings per share (₹) = Restated Net profit/loss attributable to equity shareholders / weighted average number of dilutive equity shares*
3. *The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.*
4. *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 subdivision of shares subsequent to the balance sheet date.*

5. *For the purposes of calculation of Earnings per Share, the per share data, has been adjusted retrospectively to give the effect of share split.*
6. *The Board at the meeting held on August 22, 2019 accorded the rights issue of 1,374,014 Equity Shares of the Company having face value of ₹ 1 each at price of ₹ 208.81 aggregating to ₹ 286.91 million to the equity shareholders of the Company. Such issue has been fully subscribed and Equity Shares have been allotted. The impact of rights issue has not been considered for the above calculation.*

2. Price/Earning ("P/E") ratio in relation to price band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2019 on Restated Financial Statements	[●]	[●]
Based on diluted EPS for Fiscal 2019 on Restated Financial Statements	[●]	[●]

Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 78.96, the lowest P/E ratio is 67.48 and the average P/E ratio is 71.39.

*Note: The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "- **Comparison with listed industry peers**" hereunder.*

3. Return on Net Worth ("RoNW")

Period/Year ended	RONW (%)	Weight
March 31, 2019	(56)%	3.00
March 31, 2018	(20)%	2.00
March 31, 2017	(11)%	1.00
Weighted Average	(37)%	
Three months ended June 30, 2019	(12)%	

Notes:

- *Return on Net Worth (%) = Restated net profit/loss after tax/ Restated Net worth at the end of the year*
- *Restated Net Worth = Restated equity share capital + Restated other equity*
- *The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.*

4. Net Asset Value per Equity Share (Face Value of ₹ 1 each)

NAV	Consolidated (₹)
As on June 30, 2019	63.97
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

Notes:

- *Net Asset Value (₹) = Restated net worth at the end of the year/ Total number of equity shares outstanding at the end of the year*
- *For the purposes of calculation of Net Asset Value per Share, the per share data, has been adjusted retrospectively to give the effect of share split.*
- *The Board at the meeting held on August 22, 2019 accorded the rights issue of 1,374,014 Equity Shares of the Company having face value of ₹ 1 each at price of ₹ 208.81 aggregating to ₹ 286.91 million to the equity shareholders of the Company. Such issue has been fully subscribed and Equity Shares have been allotted. The impact of rights issue has not been considered for the above calculation.*

5. Comparison with listed industry peers

Following is the comparison with our peer group companies listed in India:

Name of the Company	Total Revenue (₹ in million)	Face Value (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Company*	4,900.98	1.00	[●]	(40.51)	(56)%	71.78
Peer Group						
EIH Limited	18,796.10	2.00	67.74	2.30	4.83%	53.92
The Indian Hotels Company Limited	45,953.80	1.00	67.48	2.00	5.57%	43.29
Chalet Hotels Limited	10,347.81	10.00	**	(0.43)	(0.54)%	69.53
Lemon Tree Hotels Limited	5,594.38	10.00	78.96	0.67	4.31%	16.50

**On consolidated basis, as at March 31, 2019*

Note:

1. *Source for peer set: Fiscal 2019 Annual Reports*
2. *P/E ratio is calculated at the closing share price (September 09, 2019, NSE)*
3. ***Posted a loss for the period*

6. The Offer Price is [●] times of the Face Value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of 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***", "***Our Business***" and "***Financial Statements***" on pages 26, 107 and180, 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 26 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
SAMHI Hotels Limited *(formerly SAMHI Hotels Private Limited)*
14th Floor, Building 10 C,
Cyber City, Phase II
Gurugram, Haryana- 122002

Date: 23 September 2019

Subject: Statement of possible special tax benefits ("the Statement") available to SAMHI Hotels Limited (formerly SAMHI Hotels Private Limited) ("the Company"), its shareholders and its material subsidiaries prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated 12 September 2019.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special-tax benefits available to the Company, its shareholders and its material subsidiaries, which are defined in Annexure I ("**Material Subsidiaries**"), under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of the Company, its shareholders and its Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its Material Subsidiaries may face in the future and accordingly, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiaries and do not cover any general tax benefits available to the Company, its shareholders and its Material Subsidiaries. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising a fresh issue of equity shares by the Company and an offer for sale of equity shares by certain shareholders of the Company (the "**Proposed Offer**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

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

We do not express any opinion or provide any assurance as to whether:

i) the Company, its shareholders and its Material Subsidiaries will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, its shareholders and its Material Subsidiaries, and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Vikram Advani
Partner
Membership number: 091765
ICAI UDIN: 19091765AAAACF4305

Place: Gurugram
Date: 23 September 2019

ANNEXURE I
LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT (Note 1)

1. CASPIA Hotels Private Limited
2. Barque Hotels Private Limited
3. SAMHI JV Business Hotels Private Limited

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2019) exceeds 20% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SAMHI HOTELS LIMITED (FORMERLY KNOWN AS SAMHI HOTELS PRIVATE LIMITED) ("THE COMPANY") AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its material subsidiaries under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company, its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders and its material subsidiaries to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. ***Special tax benefits available to the Company***

There are no special tax benefits available to the Company under the Tax Laws.

B. ***Special tax benefits available to Shareholders***

There are no special tax benefits available to the Shareholders under the Tax Laws.

C. ***Special tax benefits available to material subsidiaries***

There are no special tax benefits available to the material subsidiaries under the Tax Laws.

NOTES:

1. The above is as per the current Tax Laws.

2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)

Ashish Jakhanwala
Director

Place: Gurugram
Date: 23 September 2019

SECTION IV- ABOUT OUR COMPANY

OUR BUSINESS

*The industry information contained in this section is derived from a report titled "India Hospitality Overview" dated September 2019 prepared by HVS ANAROCK Hotel Advisory Services Private Limited ("**HVS**") and commissioned by our Company in connection with the Offer ("**HVS Report**"). Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the HVS Report and we do not report our financial information by these segments.*

*Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "**Risk Factors**", "**Industry Overview**" and "**Management's Discussions and Analysis of Financial Condition and Results of Operations**" on pages 26, 129 and 264, respectively, as well as the financial and other information contained in this Draft Red Herring Prospectus. Additionally, please refer to "**Definitions and Abbreviations**" on page 1 for certain terms used in the following section.*

Overview

We are one of India's leading hotel owner and asset manager. Within eight years of starting our business operations, we have grown to become India's third largest hotel asset owner, by number of keys, and the fastest growing hotel owner, by number of keys added per calendar year, compared to other listed hospitality companies in India, as of June 30, 2019 (Source: HVS Report). We have a portfolio of 27 operating hotels comprising of 4,048 keys across India, as of June 30, 2019. We have a diverse geographic presence as our hotels span 12 of India's key urban consumption centres, including Delhi, Bengaluru, Hyderabad, Chennai and Pune, which together accounted for 52.6% of India's air passenger traffic during the Financial Year 2019 *(Source: HVS Report)*. We presently have two hotels under development with a total of 223 keys in Kolkata and Mumbai, which are expected to be commissioned by September 2020 and March 2021, respectively, and increase our presence to 14 key urban consumption centres. For operating our hotels, we have long-standing relationships with three of the well-established and leading hotel operators, namely, Marriott, IHG and Hyatt.

We have adopted an acquisition led strategy which is underpinned by our track record of acquiring and successfully turning around hotels to grow our business, with 83.6% of our hotel keys, as of June 30, 2019, being added through acquisitions. Complementing our acquisition strategy are our scalable asset management capabilities that ensure cost effective operations throughout our portfolio of hotels and efficient integration of our newer hotels. This has enabled us to have favourable financial and operating metrics such as a relatively low Average Cost per Key of ₹ 6.11 million (inclusive of real estate and development costs), as of March 31, 2019. In contrast, as per the survey conducted by HVS for select hotels completed between 2010 and 2015, the average development cost per key in India was ₹ 8.20 million (excluding real estate cost but including all development costs) *(Source: HVS Report, HVS India - 2016 Hotel Development Cost Survey)*. In addition, our average Staff-to-Key Ratio, as of March 31, 2018, was 0.62 compared to industry average of 1.60 (from a sample set of 387 hotels in India) *(Source: HVS Report)*.

The Indian hotel industry is largely unorganized with lower brand penetration as compared to countries such as China and Japan *(Source: HVS Report)*. According to HVS, India's low share of organized keys and brand penetration makes a case for institutional ownership in the hotel sector. Given our strong track record in hotel acquisitions and turnarounds, coupled with the significant opportunity for acquisition of displaced hotel assets which are stressed on account of poor capital structure, branding and/or design, scalable hotel companies such as ours have a significant opportunity for growth through the acquisition of the independent and unbranded hotels *(Source: HVS Report)*. The fragmented nature of our industry will continue to offer consolidation opportunities and we intend to increase our market share and enter high-growth geographies in a cost effective manner.

We have a proven track record in stabilizing the operating performance of our hotel assets within a short span of time. We consider our hotel assets that have been operational for at least two complete financial years as of March 31, 2019, subsequent to the later of completion, acquisition, renovation and/or rebranding, as Mature Assets (the "**Mature**

Assets”). Our Mature Assets took between 21 to 24 months to achieve 60.0% average occupancy and as of June 30, 2019, accounted for 36.0% of our total key inventory. We consider our newer hotels that have been operational for less than two complete financial years as of March 31, 2019, subsequent to the later of completion, acquisition, renovation and/or rebranding, as Ramp-Up Assets (“**Ramp-Up Assets**”). Our Ramp-Up Assets have an average operating tenure of less than 11 months and accounted for 64.0% of our total key inventory, as of June 30, 2019. Our strategy is to converge the financial parameters of our Ramp-Up Assets with those of our Mature Assets. The following table sets forth certain information relating to our operational assets for the periods indicated:

	Q1 FY 2020	**Q1 FY 2019**	**FY 2019**	**FY 2018**	**FY 2017**
Mature Assets					
Number of Keys	1,458	1,458	1,458	1,458	1,458
Average Occupancy* (%)	74.3%	65.9%	71.0%	64.9%	57.8%
Total Income from Mature Assets** (₹ in million)	**1,012.79**	**839.59**	**3,819.83**	**3,211.89**	**2,816.79**
% Change compared to prior period	*20.6%*		*18.9%*	*14.0%*	
Adjusted EBITDA# of Mature Assets (₹ in million)	**383.92**	**255.64**	**1,428.48**	**1,090.05**	**795.20**
% Change compared to prior period	*50.2%*		*31.0%*	*37.1%*	
Ramp-Up Assets					
Number of Keys	2,590	2,475	2,590	2,215	1,434
Average Occupancy* (%)	47.3%	30.1%	40.9%	50.1%	57.9%
Total Income from Ramp-Up Assets*** (₹ in million)	**447.43**	**110.24**	**1,025.99**	**844.77**	**616.34**
% Change compared to prior period	*305.9%*		*21.5%*	*37.1%*	
Adjusted EBITDA# of Ramp-Up Assets (₹ in million)	**32.00**	**(86.27)**	**(117.74)**	**(57.72)**	**170.60**
% Change compared to prior period	*N.A.*		*N.A.*	*-133.8%*	

** Average Occupancy represents the total number of room nights sold expressed as a percentage of the total number of room nights available at our hotels.*

*** Total Income from Mature Assets relates to income derived from individual hotel assets which were considered Mature Assets as of March 31, 2019.*

**** Total Income from Ramp-Up Assets relates to income derived from individual hotel assets which were considered Ramp-Up Assets as of March 31, 2019.*

#Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortization and exceptional items and it is calculated by taking net profit after tax and adding back tax expense/ (benefits), finance costs, depreciation, amortization expense and exceptional items.

Note: There was an impairment of our hotel asset at Coimbatore resulting in a non-cash operating expense of ₹ 181.15 million for the Financial Year 2018, which impacted our Adjusted EBITDA of Ramp-Up Assets.

Note: We undertook renovation of 12 hotel assets comprising of 1,655 keys in our Ramp-Up Assets portfolio during which the hotels were shut down for a period of six to nine months during Financial Year 2019. This renovation activity had a two-fold impact on our financials – (i) negative EBITDA due to nil revenue during the shutdown period and (ii) increased rate positioning as demonstrated by higher ARRs due to rebranding from Caspia Pro to Holiday Inn Express in 9 hotel assets and from Caspia to Fairfield by Marriott in 3 hotel assets in the last quarter of the Financial Year 2019.

Note: “N.A.” has been used in % Change compared to prior period in case of change from negative number to postive number or in case of further decrease in negative number.

We maintain flexibility on choice of brands (and as such, hotel operators) in each asset we acquire, allowing us to find the most appropriate hotel operator and improve returns on the capital we deploy. Our long-term contracts with hotel operators provide our hotels access to their loyalty programs, management and operational expertise, industry best practices, online reservation systems and marketing strategies. Our hotels presently operate under well-established and leading brands such as *Renaissance, Sheraton, Courtyard by Marriott, Fairfield by Marriott* and *Four Points by Sheraton* (each owned by Marriott), *Holiday Inn Express* (owned by IHG) and *Hyatt Regency* and *Hyatt Place* (each owned by Hyatt or its affiliates). We have been able to build strong business relations with these global operators, resulting in the following achievements, each as of June 30, 2019 *(Source: HVS Report):*

- owner of largest number of Marriott operated hotels in India; and
- owner of largest number of IHG operated hotels in India.

Our operations are led by a professional management team that has been with our Company since early days and has a proven track record of growing our business through different business cycles. Ashish Jakhanwala, who is our co-founder and currently the Managing Director and Chief Executive Officer of our Company, has over 23 years of experience across a variety of functions in the hotel industry, including hotel operations, design, consulting and investment. Our leadership team consists of experienced professionals from diverse backgrounds and has raised multiple rounds of institutional capital since our inception.

Our total income was ₹ 1,472.43 million for three months ended June 30, 2019 and ₹ 4,900.98 million for the Financial Year 2019, an increase of 51.5% and 16.6%, respectively, from the comparative prior financial periods/year. Our Adjusted EBITDA was ₹ 347.68 million for three months ended June 30, 2019 and ₹ 1,082.86 million for the Financial Year 2019, an increase of 201.5% and 32.2%, respectively, from the comparative prior financial periods. Adjusted EBITDA is a supplemental measure of performance and is not prepared under or required by Ind-AS. For a reconciliation of Adjusted EBITDA to loss before tax, see "***Summary Financial Information***" on page 56.

Our Competitive Strengths

Our key competitive strengths include (i) strategic locations in key urban consumption centres across India; (ii) ability to identify dislocated assets and our successful track record of acquisition led growth; (iii) our ability to work across hotel segments with global hotel operators: (iv) our ability to create operating arbitrage using analytics tools and scale of our operations; and (v) professional management team, strong corporate governance standards and marquee global institutional investors.

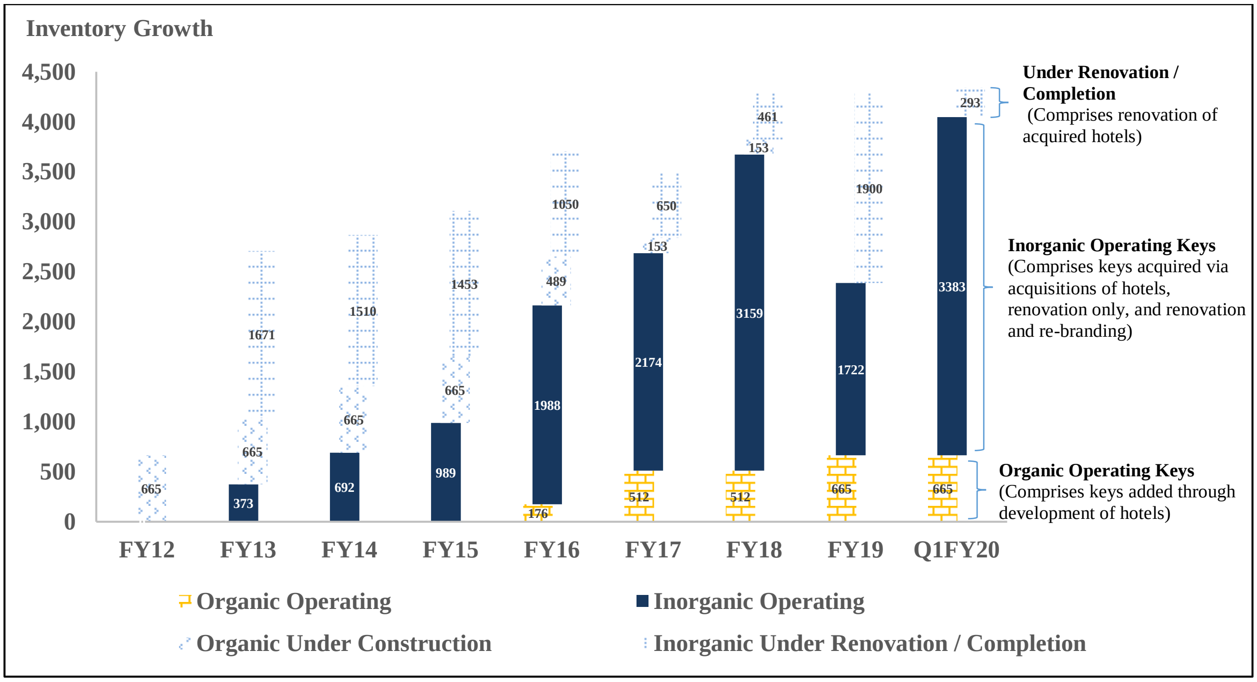
Strategic Locations in Key Urban Consumption Centres across India

Our hotels are located in 12 cities across India and we have the third most diversified hotel portfolio, by location, as of June 30, 2019 (*Source: HVS Report*). Our diversified geographic presence enables us to leverage a wide range of demand drivers. The cities we are present in, constitute key urban consumption centres across India, accounting for 52.6% of air passenger traffic for the Financial Year 2019 *(Source: HVS Report)*. We have selected our target cities based on macro themes such as air passenger traffic and premium office space growth to ensure long term and sustainable growth and within our selected cities, our hotels are strategically located in high-density micro-markets, which generally have high barriers-to-entry due to land acquisition complexities, long development time frames, and fragmented ownership structures. Our hotels are well connected to key transport infrastructure, social infrastructure and residential catchments. See " ***Industry Overview***" on page 129 for our strategic geographic presence and air passenger traffic and office space growth in key Indian cities.

The scale of our portfolio in our key markets allows us to benefit from economies of scale by leveraging our resources in these markets. For example, our operators have created "operating clusters" in cities where we have multiple hotels to drive manpower efficiencies by allowing us to use certain staff across some of our existing hotel assets depending on specific hotel requirements. Our portfolio management approach, coupled with our pan-India presence, across several hotel segments and with different operators, has also enabled us to significantly diversify our business from risks inherent in the hotel industry.

Ability to Identify Dislocated Assets and Our Successful Track Record of Acquisition Led Growth

We have created a scalable business model using an acquisition and turnaround led strategy, which has enabled us to become one of India's leading and fastest growing hotel owner and asset manager, as of June 30, 2019. Within eight years of starting our business operations, we have grown to become India's third largest hotel asset owner, by number of keys, and the fastest growing hotel owner, by number of keys added per calendar year, compared to other listed hospitality companies in India, as of June 30, 2019 (Source: HVS Report). We have demonstrated our ability to identify, acquire and turnaround hotel assets which offer significant opportunities for value accretion over the years and consequently, have grown our total operating keys from 942, as of June 30, 2014 to 4,048, as of June 30, 2019. In addition, we presently have two hotels under development with a total of 223 keys in Kolkata and Mumbai, which are expected to be commissioned by September 2020 and March 2021, respectively, and will increase our presence to 14 key urban consumption centres across India. Moreover, the majority of our keys inventory was built through acquisitions and subsequent expansion. Set forth below is a snapshot of our keys inventory growth and breakdown by development strategy:



We have extensive experience in completing hotel acquisitions and regularly track hotel assets across India which in our view are dislocated from their optimal positioning and performance. We adopt stringent methodologies in the evaluation of acquisition targets to achieve the required risk-adjusted return rates. We follow a data analytics driven approach for evaluating acquisition opportunities and the final decision to act on such opportunities is primarily driven by expected hotel profitability, integration with our existing portfolio, as well as our ability to create reasonable leverage to optimise shareholder returns. We evaluate each acquisition opportunity on several parameters, such as location, micro-market life cycle, long-term strategic value and acquisition cost relative to replacement cost. We follow a comprehensive assessment policy focusing on improving key performance indicators to allow our asset management team to plan turnaround strategies. This, coupled with our well thought out approach to capital deployment, has allowed us to build a capital effective model for aggregating our portfolio. For details regarding average development cost per key for the Indian hotel industry, see "***Industry Overview – Comparison of Operating Costs of Hotels Across Segments***" on page 144.

Since our inception, we have acquired 25 hotel assets, of which 23 are operational and two are under development in Kolkata and Mumbai and are expected to be commissioned by September 2020 and March 2021, respectively. These 23 operating assets contributed to 3,383 keys or 83.6% of our total key inventory as of June 30, 2019. Furthermore, 2,408 keys, or 71.2% of our total operating acquired keys, have undergone a re-branding subsequent to their acquisition as part of our turnaround and repositioning strategy. Given the largely unorganized nature of the hotel industry in India and lack of institutional capital *(Source: HVS Report)*, we believe there is a large hotel asset acquisition pipeline for us to leverage for long term sustainable growth. The table below sets forth the impact of our acquisition and turnaround led strategy on some of our key acquisitions and their performance immediately after the acquisition and for the three months ended June 30, 2019:

Hotel Name, Location	**Month and Year of Original Acquisition**	**Month and Year of Re-launch**	**Comparison Period**	**RevPAR* CAGR** Comparison Period vs. Q1 FY 2020
Four Points by Sheraton Vishakhapatnam	May 2015	N.A.^	Q2 FY 2016	11.1%

Hotel Name, Location	Month and Year of Original Acquisition	Month and Year of Re-launch	Comparison Period	**RevPAR* CAGR** Comparison Period vs. Q1 FY 2020
Fairfield by Marriott Pune Kharadi	August 2017	August 2018	Q3 FY 2018	15.9%
Fairfield by Marriott Bengaluru Whitefield	August 2017	October 2018	Q3 FY 2018	65.4%
Holiday Inn Express Bengaluru Whitefield ITPL	December 2017#	October 2018	Q4 FY 2018	48.5%
Holiday Inn Express Gurgaon Sector 50	December 2017#	September 2018	Q4 FY 2018	29.4%

** RevPAR is calculated by multiplying ARR and average occupancy, where ARR represents revenue from room rentals of the hotel divided by total number of room nights sold (including rooms that were available for only a certain portion of a period) and average occupancy represents the total number of room nights sold expressed as a percentage of the total number of room nights available at such hotel.*

 # Our Company acquired 100.0% of the issued, subscribed and paid-up equity share capital of Barque in December 2017 which holds these hotel assets.

^ There was no re-branding done at this hotel asset post acquisition

We believe that by leveraging our experience we were able to improve the performance of these acquired hotel assets, grow our scale of business and operations and achieve economies of scale. Our acquisition strategy also enables us to decrease lead time to market and use market opportunities efficiently.

Our Ability to work across Hotel Segments with Global Hotel Operators

Within our portfolio, we have focused on the upper upscale, upscale and mid-scale hotel segments. Across hotel segments, we are backed by brands that have strong brand recall and customer loyalty. The brands that our hotels are associated with are owned by Marriott, IHG and Hyatt (or its affiliates):

Marriott*	IHG	Hyatt
SHERATON Hyderabad Hotel; RENAISSANCE AHMEDABAD HOTEL; COURTYARD BY MARRIOTT Bengaluru Outer Ring Road; Fairfield BY MARRIOTT SRIPERUMBUDUR; FOUR POINTS BY SHERATON Visakhapatnam	Holiday Inn Express & Suites	HYATT REGENCY; HYATT PLACE

** The hotel brands mentioned in this column only represent certain hotel specific brands and is not an exhaustive list of the Marriott branded and operated hotels owned by us.*

Note: The logos provided in the above table are the exclusive intellectual property of the respective hotel operator or its affiliates.

Our multi-brand business model enables us to capitalize on expected growth in several hotel segments and gives us the ability to address different segments of customers. The spread between upper upscale, upscale, and mid-scale segments diversifies our revenue base and diminishes the risks associated with dependence on any segment or brand. The following table sets forth information relating to our revenues from our current hotel segments for the periods indicated:

(*₹ in million, except percentages*)

Hotel Segments	Q1 FY 2020 Total Income from Assets	Q1 FY 2020 % of Total Income from Assets	Q1 FY 2019 Total Income from Assets	Q1 FY 2019 % of Total Income from Assets	FY 2019 Total Income from Assets	FY 2019 % of Total Income from Assets	FY 2018 Total Income from Assets	FY 2018 % of Total Income from Assets	FY 2017 Total Income from Assets	FY 2017 % of Total Income from Assets
Upper Upscale and Upscale	822.78	56.3%	654.19	68.9%	3,059.07	63.1%	2,439.90	60.1%	2,290.68	66.7%
Mid-scale	637.43	43.7%	295.64	31.1%	1,786.75	36.9%	1,616.76	39.9%	1,142.45	33.3%
Total	**1,460.22**	**100.0%**	**949.83**	**100.0%**	**4,845.81**	**100.0%**	**4,056.66**	**100.0%**	**3,433.13**	**100.0%**

We own the largest number of Marriott operated hotels and *Fairfield by Marriott* branded hotels in India, as of June 30, 2019 *(Source: HVS Report).* We also own the largest number of IHG operated hotels and *Holiday Inn Express* branded hotels in India, as of June 30, 2019 *(Source: HVS Report)*. Our hotels are operated under brand names that are well-established in the hotel industry which gives us access to a global client base through their distribution networks and loyalty programs. As a result of our scale and size, we have formed synergies with our operators' platforms that have greatly benefited our hotels in functioning in an efficient manner. For example, in cities that have multiple hotels, we benefit from operators' operating clusters to drive manpower efficiencies by allowing us to use staff across our hotel assets depending on specific hotel requirements**.** Similarly, we have set up a joint portfolio management team for managing all Holiday Inn Express branded hotels owned by us. The portfolio team presently has functional heads located in Delhi for all 10 Holiday Inn Express hotels and we are able to place one experienced operational team to cover multiple hotels so that certain operational costs can be allocated over several hotel assets. These initiatives have helped us achieve a relatively low average Staff-to-Key Ratio of 0.72 as of June 30, 2019.

We also currently operate two hotels, comprising a total of 279 keys under our owned brands, Caspia and Caspia Pro. We have entered into binding hotel operator services agreements with Marriott and IHG to renovate and re-launch these hotels as *Fairfield by Marriott* and *Holiday Inn Express* hotels, respectively, subject to a detailed evaluation of market conditions and return profile.

Our Ability to Create Operating Arbitrage Using Analytics Tools and Scale of our Operations

We have developed tools that allow us to differentiate our asset management capabilities by improving operating performance and enhance the overall value of our portfolio:

SAMIntel, Our Business Intelligence System

We have implemented an active analytics system to ensure smooth running of our hotels. This data analytics platform monitors and analyses several financial and non-financial parameters of each of our hotels. Among other things, our analytics platform allows us to:

- gather information on key operating parameters of our hotels, thereby enabling our management to conduct detailed strategic reviews with our hotel operators on metrics;
- benchmark a variety of operating parameters across our hotel assets to highlight variations and anomalies as well as help create economies of scale across our portfolio; and
- conduct analysis of potential acquisitions against our existing operating parameters, identify opportunities and risks and develop a broad asset management plan subsequent to the completion of the acquisition.

SAMConnect, Internet of Things Engineering Platform

The electricity consumption, equipment and related utility costs at our hotel are monitored by an Internet of Things ("**IoT**") based building management and engineering solution platform ("**IoT Engineering Platform**") to ensure that our hotels run efficiently, and have minimal downtime and maintenance issues. The IoT Engineering Platform monitors electricity consumption via smart sensors which relay real-time parameters to our central analytics platform. This helps develop objective insights on operational performance of our hotels and is particularly important since our power, fuel and water expenses accounted for 13.3%, 11.9%, 12.1% and 13.0% of our total expenses for Financial Years 2017, 2018 and 2019 and the three months ended June 30, 2019, respectively.

These tools facilitate efficient asset management across our portfolio of hotel assets and help us to:

- monitor on a real time basis certain aspects related to energy utilisation of our hotel assets including power consumption, health status and efficiency of equipment, usage patterns and temperature parameters;
- analyse data for benchmarking energy KPIs across assets, segments and geographies for optimizing energy consumption and also improve predictability of future consumption; and
- minimize delays in troubleshooting by way of a dashboard approach wherein material negative events are reported to our asset management command centre for quick and timely redressal.

Given the usage of our asset management tools and scale of our operations, we are in a better position to implement hotel asset optimization decisions and aid our hotel operators in improving the overall performance of our hotels. We also benefit from a low average Staff Per Key Ratio, according to the HVS Report, as a result of our scale and use of our asset management tools.

Professional Management Team, Strong Corporate Governance Standards and Marquee Global Institutional Investors

We have grown by bringing together a professional management team and global financial institutions since our inception. We are majority owned by institutional investors and follow global best practices of separation of management from ownership which brings in high degree of managerial accountability. We believe that our relationships with the Sam Zell led Equity International, GTI and IFC has enabled us to streamline our business operations to best practices. Some of the corporate governance best practices that we adhere to include:

- established controls and audit mechanisms;
- alignment of interests of management with the Company via long term incentive plans; and
- comprehensive management information systems with reporting protocols.

Our operations are led by a professional management team that has been with our Company since early days and has a proven track record of contributing to the growth of our business through different business cycles. Ashish Jakhanwala, who is our co-founder and currently the Managing Director and Chief Executive Officer of our Company, has over 23 years of experience across a variety of functions in the hotel industry, including operations, design, consulting and investment. He is supported by a seasoned and experienced management team that includes:

- Rajat Mehra, our Chief Financial Officer, who has been with our Company for over 6 years;
- Vinay Gupta, our vice president – asset management, who has been with our Company for over 6 years;
- Gaurav Sharma, our vice president – investments, who has been with our Company for over 7 years; and
- Gyana Das, our vice-president – corporate strategy, who has been with our Company for over 8 years.

Our leadership team consists of experienced professionals from diverse backgrounds and has raised multiple rounds of institutional capital since inception. In addition, we have endeavored to motivate our leadership team through an ESOP scheme, thereby enabling a strong alignment of their interests with our performance. For details, see "***Our Management***" and *"**Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes**"* on pages 161 and 85, respectively.

Our Strategies

We are focused on effectively managing our current portfolio to maximize shareholder value by leveraging the embedded value of our hotel assets. Our core strategies for future growth includes (i) capitalize on the growth of our Ramp-Up Assets; (ii) maximize performance of our Mature Assets; (iii) expansion of existing facilities and improving operational leverage; (iv) leveraging platform benefits to scale up our hotel portfolio through acquisitions; and (v) ensure disciplined capital allocation and reduction of debt.

Capitalize on the Growth of our Ramp-Up Assets

During the gestation period, before a hotel matures, particularly with respect to occupancy, hotel assets may operate at sub-optimum levels for a period of time before achieving stabilized profitability. In addition to the costs relating to the development or acquisition of the hotel, we typically take a number of steps, such as increasing our marketing efforts at the initial stages when we add a hotel to our portfolio. These efforts often result in additional costs relating to the offered services and facilities. Over time, as each of the individual Ramp-Up Assets matures further, our strategy is focused on ensuring that the financial and non-financial parameters of these Ramp-Up Assets converge with those of our Mature Assets.

For example, we made an investment of ₹ 1,016.18 million in Financial Year 2019 to launch our portfolio of Holiday Inn Express branded hotels. Since reopening (subsequent to the completion of the renovation and the rebranding), the portfolio has exhibited a revenue growth with the room rate repositioning. If we evaluate two comparable quarters, i.e., three months ending Financial Year 2018 (the last comparable quarter operated subsequent to the completion of the acquisition) with the most recent quarter i.e., three months ending June 30, 2019, the improvement in RevPAR for IHG operated hotels is evident as demonstrated below:

	Q4 FY 2018*	**Q1 FY 2020**	**% Change**
Number of Keys	1,319	1,427	8.2%
Average Room Rate (ARR)	1,884	2,478	31.5%
Occupancy (%)	39.5%	46.0%	650 bps
RevPAR	745	1,141	53.1%

* *Quarter prior to and/or during which the IHG operated hotels were shut down for renovation and re-branding*

We believe that since the Holiday Inn Express branded portfolio's maturity is only two quarters old, the occupancy rates are still in a ramp up stage. As these hotels stabilize on occupancy, we expect that the flow-through will reflect a level of EBITDA comparable with that of our Mature Assets. We intend to converge the operating parameters of Ramp-Up Assets with those of our Mature Assets by focussing on the following key areas:

- determining the brand positioning of Ramp-Up Assets in the relevant micro-market, including two hotels which are currently operating under our own brands;
- assessing the efficacy of the launch plan and team to ensure ramp up of fixed costs in a staggered manner in line with occupancy growth; and
- leveraging our business intelligence system, SAMIntel to establish an efficient operating cost structure.

Maximize Performance of our Mature Assets

The aggregate average occupancy of our Mature Assets was 74.3% and 71.0% for the three months ended June 30, 2019 and the Financial Year 2019, respectively. Going forward, we intend to focus on the following key initiatives to further maximise operating efficiencies and profitability across our Mature Assets:

- assess our customer mix to optimize the mix between various segments of demand, with a focus on improving ARRs;
- rationalise operating cost base across all major expense heads while benchmarking each asset to our existing portfolio using our analytics platform; and
- augment product offering by way of improved F&B services and room facilities to maintain competitiveness and achieve better market share growth.

Expansion of Existing Facilities and Improving Operational Leverage

We regularly evaluate measures to enhance utilization of real estate in our hotel portfolio to maximize revenues. We currently plan to expand several facilities in our hotels to capture future demand growth, including:

Hotel Name, Location	Planned expansion	Target date
Hyatt Regency Pune	• Addition of 16 new keys • Addition of a new F&B facility of approximately 422 sq. mts.	July 2020
Four Points by Sheraton Visakhapatnam	• Addition of a new F&B facility of approximately 255 sq. mts.	July 2020
Holiday Inn Express Bengaluru Whitefield ITPL	• Addition of 54 new keys*	October 2021

* *Our Subsidiary, Barque has entered into an agreement to lease dated May 17, 2019 in this regard.*

We also intend to bring more cost centres under one roof so that we are able to benefit from economies of scale. For example, we are planning to establish 'function based clusters' (which would control administrative functions for our portfolio of hotels from a centralized location) to complement our city clusters.

Leveraging Platform Benefits to Scale Up our Hotel Portfolio through Acquisitions

Our growth strategy to expand our hotel portfolio is focussed on acquiring properties with the intent of obtaining long term and sustainable risk-adjusted returns on capital employed. Our strategy is based on the following key factors:

- identification of hotels which we view as dislocated (i.e., hotels underperforming as compared to a fair competitive set) from their inherent potential due to combination of factors such as poor product, brand, capital structure or management or inadequate operating model;
- strategic timing of target selection (with adequate demand base but with significant potential for growth as the precinct matures in terms of social and commercial infrastructure);
- renovation and rebranding of acquired hotel assets by identifying core target market, product and brand;
- assessing potential operating arbitrage using data analytics, asset management tools and economies of scale; and
- use of hotel operators such as Marriott, IHG and Hyatt – allowing us access to industry best practices and their global network of loyalty program members, among other things.

The dislocation of hotel assets in India is primarily driven by their lack of institutional ownership, resulting in improper management, fiscal imprudence, and lack of qualified expertise (*Source: HVS Report*). We have acquired several dislocated hotel assets in the past and believe that we will continue to see acquisition opportunities for dislocated assets independent of the prevailing business cycle. Our brand flexible asset ownership model allows us to acquire properties operating in a range of hotel price points and gives us the flexibility to work with several leading operators to determine appropriate brands for each hotel asset. As our portfolio matures with time, we intend to add more operators, segments, brands and locations to further diversify our portfolio.

From an asset management perspective, our platform and asset management tools allow us to integrate standalone hotel assets as well as, a portfolio of hotel assets. According to the HVS Report, the average keys per hotel in India is approximately 60, as of December 31, 2018 and therefore, our capability to integrate small hotels is critical to achieving profitability for such hotels. We believe that we should benefit from the structural up-cycle that is projected in the years to come, driven by the demand-supply mismatch, growth in discretionary spending, and rise in travel and tourism, according to the HVS Report.

Ensure Disciplined Capital Allocation and Reduction of Debt

We follow a disciplined approach to capital allocation and make investment decisions that seek to deliver the optimal value and returns to our stakeholders. Our approach has allowed us to allocate capital at opportune times and we seek to take advantage of growing demand to maximize revenue and returns by partnering with well-renowned hotel operators. As of June 30, 2019, we had total outstanding borrowings (including current and non-current borrowings, current portion of non-current borrowings as well as interest accrued and due on borrowings) of ₹ 21,249.14 million on a consolidated basis, which includes ₹ 1,862.48 million of IFC Compulsory Convertible Debentures ("**CCDs**") which shall be converted prior to the filing of the Red Herring Prospectus with the RoC. Our Company plans to significantly rationalize its capital structure and plans to utilize up to ₹ 9,500.00 million of our Net Proceeds from the Fresh Issue to repay/ prepay certain indebtedness availed by our Company and our Subsidiaries (including accrued interest). We also propose to utilize a part of our Net Proceeds for payment of accrued interest on the IFC CCDs. The amount of accrued interest on the IFC CCDs as of June 30, 2019 is ₹ 602.48 million and is subject to increase depending on the timing of conversion of the IFC CCDs (which shall be prior to the filing of the Red Herring Prospectus with the RoC). For further details of the proposed objects of the Offer, see "***Objects of the Offer***" on page 90. Over time, as our Ramp-Up Assets portfolio stabilizes in line with our Mature Assets portfolio, we will be in a position to further improve our gearing ratios.

Description of our Business

We own a portfolio of 27 operating hotels, comprising 4,048 keys, as of June 30, 2019, in 12 of India's key urban consumption centres. All of our hotels are in the upper upscale, upscale and mid-scale hotel segments. We are also in the process of commissioning two additional hotels, comprising a total of 223 keys in Kolkata and Mumbai, which are expected to be commissioned by September 2020 and March 2021, respectively, and thereby increasing our presence to 14 key urban consumption centres. A pictorial depiction of our operating and under development hotels are set out in the map below:

Note: *This map is not to scale. It has been drawn for the sole purpose of depicting presence of our hotels in India.*

We categorize our hotels as (i) Mature Assets; and (ii) Ramp-Up Assets.

Mature Assets

Mature Assets are those hotel assets that have been operational for at least two complete financial years as of March 31, 2019 subsequent to the later of completion, acquisition, renovation and/or rebranding. These hotels are therefore, treated as more mature and stabilized assets. As of June 30, 2019, eight of our hotels are considered Mature Assets, which comprise 1,458 keys, or 36.0% of our total key inventory. These hotels accounted for 69.4%, 78.8%, 79.2% and 82.0% of our Total Income from Assets for the three months ended June 30, 2019 and for the Financial Years 2019, 2018 and 2017, respectively.

Ramp-Up Assets

Ramp-Up Assets are those hotel assets that have been operational for less than two complete financial years as of March 31, 2019 subsequent to the later of completion, acquisition, renovation and/or rebranding. Our Ramp-Up Assets have an average operating tenure of less than 11 months. As of June 30, 2019, 19 of our hotels are considered as Ramp-Up Assets, which comprise 2,590 keys, or 64.0% of our total key inventory. These hotels accounted for 30.6%, 21.2%, 20.8% and 18.0% of our Total Income from Assets for the three months ended June 30, 2019 and for the Financial Years 2019, 2018 and 2017, respectively.

A brief snapshot of certain key details of hotels in our portfolio is set out below:

Hotel Brand	City	Location	Operator	Maturity	Segment	Operating Keys	Under Development Keys	Operator Contract Expiration
Hyatt Regency	Pune	Nagar Road	Hyatt	Mature	Upper Upscale	301	16	December 31, 2036
Sheraton	Hyderabad	Gachibowli	Marriott	Mature	Upper Upscale	272	-	December 31, 2040
Courtyard by Marriott	Bangalore	Outer Ring Road	Marriott	Mature	Upscale	170	-	December 31, 2045
Hyatt Place	Gurgaon	Udyog Vihar	Hyatt	Mature	Upscale	176	-	December 31, 2040
Four Points by Sheraton	Ahmedabad	City Center	Marriott	Mature	Mid-scale	104	-	December 31, 2023
Four Points by Sheraton	Visakhapatnam	City Center	Marriott	Mature	Mid-scale	123	-	December 31, 2041
Fairfield by Marriott	Bangalore	City Center	Marriott	Mature	Mid-scale	146	-	December 31, 2043
Fairfield by Marriott	Bangalore	Outer Ring Road	Marriott	Mature	Mid-scale	166	-	December 31, 2045
Renaissance	Ahmedabad	SG Highway	Marriott	Ramp-up	Upper Upscale	155	-	December 31, 2037
Fairfield by Marriott	Coimbatore	Airport	Marriott	Ramp-up	Mid-scale	126	-	December 31, 2047
Fairfield by Marriott	Chennai	Sriperumbudur	Marriott	Ramp-up	Mid-scale	153	-	December 31, 2048
Fairfield by Marriott	Pune	Kharadi	Marriott	Ramp-up	Mid-scale	109	-	December 31, 2048
Fairfield by Marriott	Bangalore	Whitefield	Marriott	Ramp-up	Mid-scale	104	-	December 31, 2041
Fairfield by Marriott	Chennai	OMR	Marriott	Ramp-up	Mid-scale	107	-	December 31, 2048
Fairfield by Marriott	Goa	Anjuna	Marriott	Ramp-up	Mid-scale	130	-	December 31, 2048
Holiday Inn Express	Ahmedabad	SG Road	IHG	Ramp-up	Mid-scale	130	-	December 30, 2038
Holiday Inn Express	Bangalore	Whitefield	IHG	Ramp-up	Mid-scale	161	54	October 21, 2038
Holiday Inn Express	Pune	Hinjewadi	IHG	Ramp-up	Mid-scale	104	-	December 16, 2038
Holiday Inn Express	Gurgaon	Sohna Road	IHG	Ramp-up	Mid-scale	205	-	September 14, 2038
Holiday Inn Express	Pune	Pimpri	IHG	Ramp-up	Mid-scale	142	-	November 21, 2038
Holiday Inn Express	Hyderabad	Hi-tech City	IHG	Ramp-up	Mid-scale	150	-	December 5, 2038
Holiday Inn Express	Nashik	Ambad	IHG	Ramp-up	Mid-scale	101	-	December 29, 2038
Holiday Inn Express	Chennai	OMR	IHG	Ramp-up	Mid-scale	149	-	November 11, 2038
Holiday Inn Express	Hyderabad	Banjara Hills	IHG	Ramp-up	Mid-scale	170	-	December 26, 2038
Holiday Inn Express	Bangalore	Tumkur Road	IHG	Ramp-up	Mid-scale	115	-	December 29, 2038
Caspia	New Delhi	Shalimar Bagh	SAMHI	Ramp-up	Mid-scale	142	-	N.A.*
Caspia Pro	Greater Noida	Knowledge Park	SAMHI	Ramp-up	Mid-scale	137	-	N.A.*
Holiday Inn Express	Mumbai	Goregaon	IHG	Under Development	Mid-scale	-	112	N.A.**
Holiday Inn Express	Kolkata	Rajarhaat	IHG	Under Development	Mid-scale	-	111	N.A.**
Total						**4,048**	**293**	

** We have entered into binding hotel operator services agreements with Marriott dated November 24, 2017 and IHG dated November 23, 2017, respectively, to renovate and re-launch these hotels at New Delhi and Greater Noida as Fairfield by Marriott and Holiday Inn Express hotels, respectively. Once the operations commence under the new brands, the contract will expire 30 years and 20 years, respectively, from the formal opening date.*

*** The contract will expire 20 years from the formal opening date.*

The table below sets forth certain key parameters for our hotels for the past three financial years as well as the three months ended June 30, 2018 and June 30, 2019:

	ARR (*in ₹*)					Occupancy (%)				
	Q1 FY 2020	**Q1 FY 2019**	**FY 2019**	**FY 2018**	**FY 2017**	**Q1 FY 2020**	**Q1 FY 2019**	**FY 2019**	**FY 2018**	**FY 2017**
Portfolio	**4,609**	**5,136**	**5,229**	**3,966**	**3,862**	**57.3%**	**52.9%**	**56.6%**	**56.9%**	**57.9%**
Mature Assets	**6,343**	**5,708**	**6,171**	**5,680**	**5,537**	**74.3%**	**65.9%**	**71.0%**	**64.9%**	**57.8%**
Upper Upscale and Upscale	7,236	6,416	6,887	6,289	6,037	73.9%	65.3%	71.1%	64.3%	59.4%
Mid-scale	4,838	4,527	4,946	4,664	4,575	75.0%	66.8%	71.0%	65.9%	54.9%
Ramp-Up Assets	**3,015**	**2,936**	**3,442**	**2,095**	**1,907**	**47.3%**	**30.1%**	**40.9%**	**50.1%**	**57.9%**

	Total Income from Assets (₹ *in million*)					Adjusted EBITDA (₹ *in million*)				
	Q1 FY 2020	**Q1 FY 2019**	**FY 2019**	**FY 2018**	**FY 2017**	**Q1 FY 2020**	**Q1 FY 2019**	**FY 2019**	**FY 2018**	**FY 2017**
Portfolio	**1,460.22**	**949.83**	**4,845.81**	**4,056.66**	**3,433.13**	**415.92**	**169.37**	**1,310.74**	**1,032.32**	**965.81**
Mature Assets	**1,012.79**	**839.59**	**3,819.83**	**3,211.89**	**2,816.79**	**383.92**	**255.64**	**1,428.48**	**1,090.05**	**795.20**
Upper Upscale and Upscale	762.30	622.76	2,834.03	2,342.62	2,103.44	287.72	175.55	1,057.37	812.99	620.89
Mid-scale	250.49	216.84	985.80	869.26	713.35	96.19	80.09	371.11	277.05	174.32
Ramp-Up Assets	**447.43**	**110.24**	**1,025.99**	**844.77**	**616.34**	**32.00**	**(86.27)**	**(117.74)**	**(57.72)^**	**170.60**

^ *Impairment of our hotel asset at Coimbatore resulting in a non-cash operating expense of ₹ 181.15 million for the Financial Year 2018, which impacted our Adjusted EBITDA of Ramp-Up Assets.*

Hotel Segmentation

Our hotels operate in the upper upscale, upscale and mid-scale hotel segments. We consider upper upscale and upscale hotels together for the purpose of analysis, since these hotel segments target similar demand profile and have comparative operating matrices.

Upper Upscale and Upscale Hotel Segment

As of June 30, 2019, five of our operating hotels are in the upper-upscale and upscale segment, which comprise 1,074 keys, or 26.5% of our total key inventory. These hotels accounted for 56.3%, 63.1%, 60.1% and 66.7% of our Total Income from Assets for the three months ended June 30, 2019 and for the Financial Years 2019, 2018 and 2017, respectively.

Mid-scale Hotel Segment

As of June 30, 2019, 22 of our operating hotels are in the mid-scale segment, which comprise 2,974 keys, or 73.5% of our total key inventory. These hotels accounted for 43.7%, 36.9%, 39.9% and 33.3% of our Total Income from Assets for the three months ended June 30, 2019 and for the Financial Years 2019, 2018 and 2017, respectively. In addition, we are in the process of commissioning two additional mid-scale hotels in Kolkata and Mumbai, comprising a total of 223 keys, which are expected to be commissioned by September 2020 and March 2021, respectively.

Hotels under Development

Presently, our development pipeline for hotels consists of a total of 223 keys across two mid-scale hotels. We classify hotels under development as those where: (i) land is owned by us together with relevant agreements, memorandum of understanding or letter of intent having been executed for such use or an agreement to lease has been executed; (ii) relevant construction approvals have been applied for; and (iii) our preliminary design plans are complete.

The table below provides certain details of our hotels under development:

Hotel Brand	Operator	Segment	City	Location	Number of Keys	Expected Opening
Holiday Inn Express	IHG	Mid-scale	Kolkata	Rajarhaat	111	September 2020
Holiday Inn Express[#]	IHG	Mid-scale	Mumbai	Goregaon	112	March 2021

[*] *Our Subsidiary, Barque has entered into an agreement to lease dated January 17, 2014 with respect to this hotel asset.*

Expansion of Existing Facilities

In addition to the above, we also have plans for the expansion of our existing hotel portfolio to grow our revenues.

We currently plan to expand several facilities in our hotels to capture future demand growth, including:

Hotel Name, Location	Planned expansion	Target date
Hyatt Regency Pune	• Addition of 16 new keys • Addition of a new F&B facility of approximately 422 sq. mts.	July 2020
Four Points by Sheraton, Visakhapatnam	• Addition of a new F&B facility of approximately 255 sq. mts.	July 2020
Holiday Inn Express, Bengaluru Whitefield ITPL	• Addition of 54 new keys	October 2021

Management and Operation of Hotels

Our Hotels Managed by Third Party Hotel Operators

As of June 30, 2019, 25 out of our 27 operating hotels are managed by third party operators, namely, Marriott, IHG and Hyatt, pursuant to hotel operator and related agreements executed with them. As of June 30, 2019, 13 of our hotels are managed by Marriott, 10 hotels by IHG and two hotels by Hyatt. See "***Our Business– Certain Key Agreements – Hotel Operator and Related Agreements***" on page 122.

We have long standing relationships with Marriott, IHG and Hyatt. We benefit from long-term management contracts and related agreements with Marriott, IHG and Hyatt, with terms generally ranging from 20 to 30 years, with the exception of one hotel operator services agreement with Marriott for a term of 10 years. Upon expiry of such agreements, they are renewable subject to mutual agreement between the respective hotel operator and us.

Hotels under Transition

As of June 30, 2019, we operate two hotels, comprising a total of 279 keys under our owned brands, Caspia and Caspia Pro. We are operating these hotels on a temporary basis. For these hotels, we exercise day-to-day operational control, including selection, recruitment, training and management of personnel for the hotels together with determining their remuneration, determining the price and rate schedules for rooms and commercial spaces and other services, including applying for licenses and consents, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires, among others.

We have entered into binding hotel operator services agreements with Marriott dated November 24, 2017 and IHG dated November 23, 2017, respectively, to renovate and re-launch these hotels at New Delhi and Greater Noida as *Fairfield by Marriott* and *Holiday Inn Express* hotels, respectively. Such transitioning process is subject to a detailed evaluation of market conditions and the return profile. The table below provides certain details of hotels operated by us, as of June 30, 2019:

Hotel Name	Hotel Segment	City	Location	Number of Keys
Caspia	Mid-scale	New Delhi	Shalimar Bagh	142
Caspia Pro	Mid-scale	Greater Noida	Knowledge Park	137

Certain Key Agreements

Hotel Operator and Related Agreements

We benefit from hotel operator services agreements and related agreements with (i) Marriott for global brands such as *Renaissance*, *Four Points by Sheraton, Sheraton, Fairfield by Marriott* and *Courtyard by Marriott*; (ii) IHG for the global brand *Holiday Inn Express*, and (iii) Hyatt for global brands *Hyatt Regency* and *Hyatt Place*; with terms generally ranging from 20 to 30 years, except for a hotel operator services agreement with Marriott for our *Four Points by Sheraton Ahmedabad* where the term is 10 years. With certain hotel operators (or their relevant affiliates), we also enter into ancillary agreements such as license and royalty agreements for the use of brands and trademarks, international marketing program participation agreements, technical services agreements and training and computer systems agreements, all of which generally have the same tenure as the corresponding hotel operator services agreements.

Operational and Support Services

Obligations of the hotel operators: Pursuant to the terms of the hotel operator services agreements, the hotel operators are required to render technical and professional services and supervise, control and direct the operation of our hotels. The hotel operators have discretion in matters relating to operation of the hotels, including, *inter alia*, charges for guestrooms and public spaces in the hotel, credit policies, food and beverage services, receipt, holding, and disbursement of funds, maintenance of bank accounts, procurement of inventories, supplies and services, promotion and publicity, initiation of lawsuits in connection with the operation of the hotels and such other activities as are specifically provided for under the hotel operator services agreements or are otherwise necessary and customary for the operation of the hotels, generally subject to adherence to the annual operating plan finalized between us and the hotel operator. The hotel operators also assist in establishing overall human resource policies consistent with their standards and formulate and establish training and motivational programs for employees at the hotels. The hotel operators may typically grant concessions for shops and businesses on the hotel premises in accordance with the terms of the respective hotel operator services agreements. Further, the hotel operators or their affiliates provide our hotels with access to programs for advertising, marketing, promotion, and sales. These typically include preparation and execution of sales and marketing plans; participation in sales campaigns, industry trade shows and exhibitions; management and administration of marketing and public relations campaigns, both online and offline, across multiple channels; and retention of advertising agencies, marketing firms, public relations firms, and other professionals in relation to such services. We are also provided limited access to certain software and systems of the hotel operators.

The hotel operators are required to prepare and submit to us a draft of an annual operating plan for the forthcoming year, demonstrating an estimated amount of, among others, gross revenue, operating profit, capital expenditure, salaries and marketing expenditure for the hotel. We work closely with the respective operators to finalize annual operating plans for our hotels.

Obligations of our Company/Subsidiaries: Pursuant to the hotel operator services agreements, we are required to maintain good and marketable title in the freehold property and hotel buildings, subject to any encumbrances that may be created for financing of the relevant hotel asset. Further, we are not permitted to enter into any agreement for the sale or transfer of the hotel (other than among certain specified affiliates) unless we issue a prior written notice to or obtain a prior written consent from the hotel operator, as is required under the respective hotel operator services agreement. We are responsible for procuring and renewing all licenses, permits and approvals necessary for operation of the hotels, and also for procuring and maintaining certain specified insurance policies during the subsistence of the hotel operator services agreements. Certain of our hotel operator services agreements require us to indemnify the hotel operators from any liability for third party claims arising out of or in relation to the hotel operator services agreements, except where there is any gross negligence, wilful misconduct, omission or fundamental breach on the part of the hotel operators.

Repairs and Renovations

Pursuant to the terms of the hotel operator services agreements, we are generally responsible for providing the initial working capital and for inventories in amounts which are either determined by the hotel operators or mutually agreed before the opening of the hotels. The hotels subsequently require routine maintenance, repairs and minor alterations in relation to furnishing, fixtures and equipment, the costs of which are typically deducted from an interest bearing reserve account opened by us and operated in accordance with the terms of the respective hotel operator services agreements. We are required to bear costs and expenses of major improvements including planning, design, construction, renovation and modernising, as may be required on a periodic basis, separately. An estimate of the repairs and equipment expenditures is required to be submitted by the hotel operators as part of or along with the annual operating plan.

Hotel Employees

In accordance with the terms of the hotel operator services agreements, as of June 30, 2019, all personnel employed at our hotels are our employees (other than certain personnel who are engaged on a contractual basis). The hotel operator assists in establishing overall human resource policies consistent with its standards, including formulation and establishment of training and motivational programs for employees at the hotels. The payroll and related costs for the hotel employees, such as salaries, bonuses and statutory benefits are paid by our Company or the relevant Subsidiary.

Payment Terms

Pursuant to the terms of the hotel operator services agreements (including ancillary agreements thereto, if applicable) we are generally obliged to pay to the hotel operators (or their relevant affiliates) fee for technical design services, periodic operating fees including, management fees and license fees for the use of certain trademarks, based on invoices raised, and commercial remittances against invoices for advertising, sales and marketing, promotion, information technology services and related expenses incurred by the hotel operator or their affiliates. The aforementioned management and license fee compensates the hotel operators based on a fixed percentage of the gross revenue of the hotel and/ or a specified portion of gross operational profit as incentive fees, subject to the terms of the operator services agreements. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 264 for details of payments made by us pursuant to these agreements.

Analytics Technology

We have developed tools, which allow us to differentiate our asset management capabilities by improving operating performance and enhance the overall value of our portfolio.

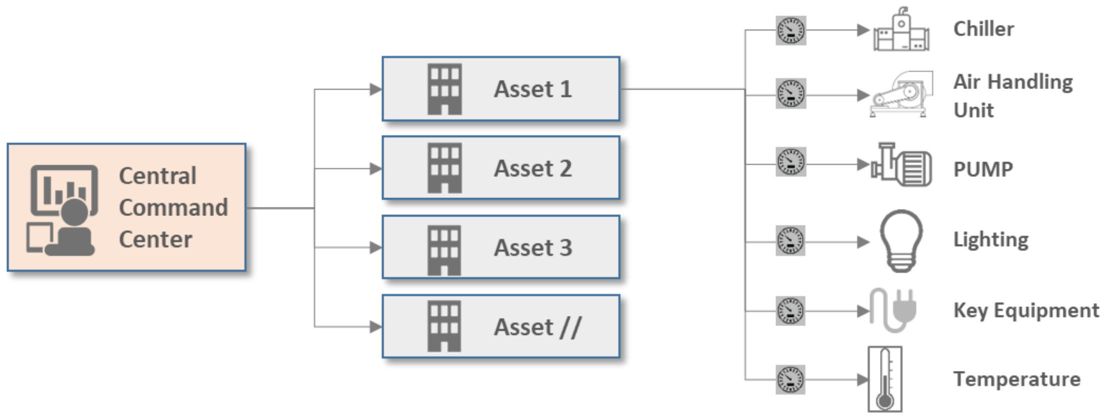
SAMIntel, Our Business Intelligence System

This data analytics platform monitors and analyses several financial and non-financial parameters of each of our hotels to ensure smooth running of our hotels. Among other things, it allows us to:

- gather information on key operating parameters of our hotels, thereby enabling our management to conduct detailed strategic reviews with our hotel operators on metrics;
- benchmark a variety of operating parameters across our hotel assets to highlight variations and anomalies as well as help create economies of scale across our portfolio; and
- conduct analysis of potential acquisitions against our existing operating parameters, identify opportunities and risks and develop a broad asset management plan subsequent to the completion of the acquisition.

SAMConnect, Internet of Things Engineering Platform

The IoT Engineering Platform is responsible for the physical upkeep and maintenance of our hotels as it ensures that our hotels run efficiently, and have minimal downtime and maintenance issues. It monitors a variety of operational aspects of our hotels via smart sensors which relay real-time parameters to our central analytics platform. The illustration below sets forth the summary workings of this asset management system:



The IoT Engineering Platform provides objective insights on operational performance of our hotels and help us to:

- monitor on a real time basis certain aspects related to energy utilisation of our hotel assets including power consumption, health status and efficiency of equipment, usage patterns and temperature parameters;
- analyse data for benchmarking energy KPIs across assets, segments and geographies for optimizing energy consumption and also improve predictability of future consumption; and
- minimize delays in troubleshooting by way of a dashboard approach wherein material negative events are reported to our asset management command centre for quick and timely redressal.

Hotel Acquisition Process

Our core strategy is to acquire and own hotel assets with the intent of obtaining long term, sustainable and risk adjusted return on capital employed.

Our investment team is tasked with identifying potential acquisitions and undertakes preliminary diligence and negotiation with a potential target. These details of asset location profile, demand/ supply, competition analysis, future business potential, product/ brand profile, development cost and timelines and detailed financial estimations are shared with the executive leadership team for their review and comments. Thereafter, the proposal is revised to reflect inputs received from the executive leadership team and sent to the investment committee which analyses and scrutinizes the transaction on various parameters to decide on the feasibility and viability of the proposed acquisition. The investment committee may reject or suggest modifications to any proposal. Once the investment committee gives its go-ahead, we undertake detailed diligence with the help of third-party advisors and commence documentation for the transaction. Upon completion of diligence, the key findings are reported to the investment committee and any significant variances from the initial proposal are highlighted. At the satisfactory conclusion of this process, we approach the Board of Directors for their approval to proceed with the execution of the proposed acquisition.

Our key evaluation criteria include:

Location

Our focus is on acquiring properties in precincts with high demand density and developed urban surroundings. In line with the above, our portfolio assets are generally located in high density key urban consumption centres which allow access to multiple sources of demand including burgeoning demand from corporate travel as well as the increasing domestic demand.

Product and Positioning Potential

We generally acquire assets which allow for repositioning and improvement. As part of evaluation process, we carry out detailed analytics and bid for an asset only once we have identified the areas which have resulted in the asset being dislocated from fair and expected competitive set and which can offer us market agnostic growth opportunities. We also target hotels with reasonable inventory (at least 100 keys) or a part of a larger portfolio allowing optimal operating efficiencies.

Development Risk

We generally target acquiring brownfield or operating assets to eliminate development risks associated with greenfield projects. In situations which have compelling demand and no identifiable brownfield asset we may acquire greenfield projects which have very limited development risks and these acquisitions are structured in a way to minimise capital risk.

Professional, Independent and Strong Process

Our investment decisions are driven by a well-defined process which allows for adequate assessment of opportunities and risk associated with any potential acquisition. We follow a comprehensive assessment process focusing on establishing key performance indicators to allow our asset management team to plan renovation strategies.

Implementation

The key to our successful turnaround strategy is to prepare an asset management plan as part of investment underwriting. Our typical asset management plan includes a detailed product improvement plan, immediate actions required subsequent to the completion of the acquisition, identification of changes to the key managerial persons in the intended target and positioning strategy. In addition to the above, as part of the evaluation criteria, we focus on:

- identifying growth drivers such as location, airline passenger traffic growth and other factors;
- reviewing future supply prospects;
- conducting competition analysis including performance data sourced from third parties;
- running benchmarking analysis using our tools;
- undertaking detailed investigation of the product by the product team to ascertain upside opportunities and capex requirements;
- review of profit and loss statement and preparation of pro-forma profit and loss and cash flow statements; and
- completing sensitivity analysis for key variables.

Track Record

Our core strategy of acquisition and turnaround is predicated on creating (a) post acquisition premium positioning by upgrading product and service configuration; (b) operating arbitrage using asset management tools and economies of scale; (c) financial discipline and (d) partnering with the most appropriate hotel operator for the most accretive brand. This has allowed us to build a capital effective model for aggregating our portfolio (which is a low cost per key relative to a sample of 180 hotels spread across hotel segments which were completed between 2010 and 2015 *(Source: HVS Report; HVS India - 2016 Hotel Development Cost Survey)*).

Our presence across key large operators and multiple hotel segments gives us the flexibility to offer the right product to the target customer base. Our relationship with multiple hotel operators also gives us the opportunity to associate with the optimal brand based on the target demographic.

Intellectual Property

We have registered trademarks under various classes, including under classes 43 and 35 with the Registrar of Trademarks under the Trade Marks Act, including SAMHI, SAMHI and CASPIA HOTELS. Further, we have also made applications seeking registration of trademarks under various classes, including in respect of our analytics technology tools SAMIntel and SAMConnect, which are currently pending registration. See "***Risk Factors – Internal Risk Factors - Our inability to protect or use our intellectual property rights may adversely affect our business***" on page 45.

Environmental Matters

In connection with our ownership and management of hotels and development of properties, we are subject to various national, state and local laws and regulations relating to environmental laws, and have adopted a Social, Environment, Health and Safety Policy.

We are focussed on energy and resources conservation measures. We have implemented solar water heating systems and central building automation systems at certain properties. We have also set up energy-efficient variable refrigerant flow based air-conditioning units, heat pumps to transfer energy gained in air-conditioning to heat water for showers and kitchens and installed key-card based occupancy sensing and motion detection sensors to reduce our energy consumption levels.

We are also subject to various requirements, including those contained in environmental permits required for our operations, governing air emissions, effluent discharges, the use, management and disposal of hazardous substances and wastes and health and safety. See "***Risk Factors – Internal Risk Factors – We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws and certain reporting requirements prescribed by the RBI. Any non-compliance with, or changes in, regulations and reporting requirements applicable to us may adversely affect our business, results of operations and financial condition***" on page 38.

Awards and Accreditations

Over the years our hotels have received several awards and accreditations, including the following:

Hotel Name	Awards
Hyatt Place Gurgaon / Udyog Vihar	• "Best Business Hotel of the year" as part of Travel and Lifestyle Leadership Awards presented by Lonely Planet in 2017
Sheraton, Hyderabad Hotel	• "Best All Day Dining in Premium Dining" as part of Times Foods & Nightlife Awards for Feast (Hyderabad) in 2019 • "Best All Day Dining in Premium Dining" as part of Times Foods & Nightlife Awards for Feast (Hyderabad) in 2018
Hyatt Regency Pune	• "Times Food & Nightlife" Award for Best Italian in Premium Dining for La Terrazza (Pune) in 2018 and 2019 • "Times Food & Nightlife" Awards for Best All-day Dining in Premium Dining for The Café (Pune) in 2018 and 2019 • "Times Food Awards" for Best Café in Fine Dining for Gourmet Avenue (Pune) in 2017
Courtyard by Marriott Bangalore Global	• "Modern Hotel of the Year - Karnataka" by Travel and Hospitality Awards in 2018 • "Leading Business Hotel - India (South)" as part of South Asian Travel Awards in 2018

Hotel Name	Awards
Technology Park	• "Best Business Hotel of the Year" as part of the Travel and Lifestyle Leadership Awards presented by Lonely Planet in 2017
Fairfield by Marriott Bangalore Global Technology Park	• "Best Business Hotel of the Year" as part of the Travel and Lifestyle Leadership Awards presented by Lonely Planet in 2017
Fairfield by Marriott Bengaluru Rajajinagar	• "Forecast Accuracy" for first quarter of 2018 in the APEC Region by Marriott International • "Highest Reduction in Carbon" in the APEC region by Marriott International in 2017
Four Points by Sheraton Ahmedabad	• "Gold Level" Certification as part of Healthy Hotel Certification by Marriott International in 2018
Renaissance Ahmedabad Hotel	• "Best Debut Hotel in Gujarat" as part of Gujarat Tourism Awards in 2019 • "Times Food Awards - Best Tea Lounge - Premium Dining" for Mill & Co (Ahmedabad) in 2019 • "Times Food Awards - Best Pan Asian - Premium Dining" for Kuros (Ahmedabad) in 2019 • "Platinum Level" certification as part of Healthy Hotel Certification by Marriott International in 2018 • "Most Improved Maintenance and Upkeep" for the second and third quarter of 2018 in the APEC Region by Marriott International
Fairfield by Marriott Sriperumbudur Hotel	• "Best New Hotel of the year" in the Mid-Markets Hotel Segment by HICSA in 2019 • "Most Improved Maintenance and Upkeep" for the first quarter of 2019 in the APEC Region by Marriott International

Insurance

We maintain insurance policies that are customary for companies operating in our industry. Our insurance policies are in respect of buildings and equipment (including plate glass insurance) covering losses due to fire and special perils (and incidental losses), burglary, electrical or mechanical breakdown, money insurance and allied perils. We also maintain directors' and officers' liability insurance, workmen compensation policies and health insurance for our employees. For further details, see "***Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition***" on page 44.

Employees

As of June 30, 2019, we had 2,384 permanent employees at our hotel assets. The following table sets forth the company wise split of our employees as of June 30, 2019:

Particulars	Number of Employees
Barque Hotels Private Limited	484
SAMHI Hotels (Ahmedabad) Private Limited	358
Caspia Hotels Private Limited	333
Argon Hotels Private Limited	325
Ascent Hotels Private Limited	292
SAMHI JV Business Hotels Private Limited	265
Our Company	190
SAMHI Hotels (Gurgaon) Private Limited	137
Total	**2,384**

We also engage contractual labour at our hotels primarily for rooms, food and beverage and hotel administration functions. As of June 30, 2019, we had 541 contractual employees at our hotel assets.

In addition to compensation, that includes both salary and allowances (including performance linked bonuses), we provide our employees other benefits which include employee stock options, insurance coverage, medical reimbursements and annual leave.

Competition

The hotel industry in India is intensely competitive. Our hotels are in the upper upscale, upscale and midscale hotel segments and are spread across 12 cities across India. As a result, we compete with large multinational and Indian companies, as well as regional and local companies in each of the geographies in which we operate. We experience competition from chain affiliated and independent hotels in the segments in which we operate, as well as certain hotels in the upper upscale, upscale and midscale segments. More recently, the competition in the hotel industry has increased with the emergence of other institutional players who are acquiring hotel assets. For details, see "***Basis for Offer Price***" and *"**Industry Overview**"* on pages 100 and 129, respectively.

Our success is largely dependent upon our ability to compete in areas such as room rates, quality of accommodation, brand recognition of our hotel operators, service level, location of the property and the quality and scope of amenities at our hotels, including food and beverage facilities. See "***Risk Factors – Internal Risk Factors – The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition***" on page 36.

Immovable Properties

Our registered office is located at Caspia Hotels Delhi, District Centre Crossing, Opposite Galaxy Toyota, Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088 and is owned by our Subsidiary, Argon. Our Company has leased the premises where our registered office is situated from Argon, pursuant to an agreement dated December 11, 2017, which is currently valid until December 10, 2022.

Our corporate office is located at 14^{th} Floor, Building 10 C, Cyber City, Phase II, Gurugram, Haryana 122 002. We have taken our corporate office on a lease basis from DLF Cyber City Developers Limited, pursuant to a lease deed dated November 3, 2017. This lease deed is valid for a period of three years from October 1, 2017.

As of June 30, 2019, we own 17 hotels (including all our Mature Assets) which are located on freehold land owned by us (excluding certain floors that form part of one of our hotels in Hyderabad which are on a 60 year long term lease). Further, 10 of our hotels are located in buildings which have been leased to us by third parties with the terms of such leases varying from 20 to 35 years, with the exception of one of our leases, which is valid for 99 years. In respect of our under development hotel assets, while we own the land on which the *Holiday Inn Express Kolkata New Town* is being commissioned, we have entered into an agreement to lease for the *Holiday Inn Express Mumbai Goregaon*.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Central Government. We believe that our CSR initiatives contribute to our overall strategy of engaging with communities and our initiatives are aimed towards promoting education, including special education and employment, enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

*The information contained in this section is derived from a research report titled "India Hospitality Overview" dated September 2019, prepared by HVS ANAROCK Hotel Advisory Services Private Limited ("**HVS**") and commissioned by the Company in relation to the Offer ("**HVS Report**"). Neither we, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the HVS Report.*

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Overview of the Indian Economy

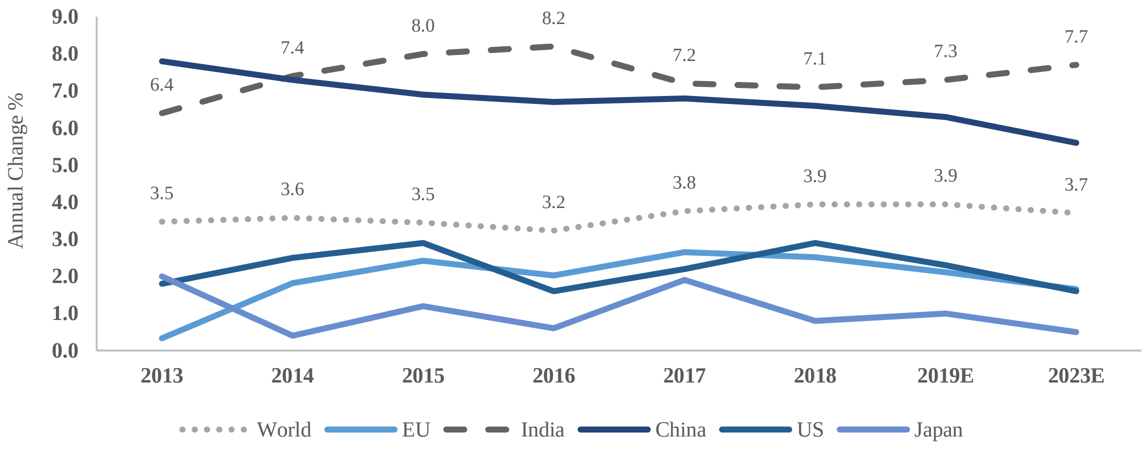
The Indian economy has witnessed steady growth in the last few years, with absolute Gross Domestic Product ("GDP") growing at a Compounded Annual Growth Rate ("CAGR") of 6.2% between Financial Years ("FY") 2012 and 2018. Furthermore, the International Monetary Fund ("IMF") has forecasted India's GDP to grow by 7.0% in FY 2020 and by 7.2% in FY 2021. The country ranks third globally in GDP measured in purchasing power parity ("PPP"), while in absolute terms it is poised to become the fifth largest in 2019 , overtaking the United Kingdom (Source: IMF).

The Indian economy has benefitted from strong inflows in Foreign Direct Investment ("FDI") which aggregated to over US$ 203 billion in the last 5 years (FY 2015 - 2019). Average inflation in the last five years was less than half the inflation level of the preceding five years, matching the lowest levels attained in the country's post-independence history.

The services sector in India constitutes over 50.0% of India's GDP and has been the principle driver of growth in recent years. The services sector in FY 2017 and FY 2018 exhibited growth of 8.8% and 8.9% respectively. The sub-sector of 'Trade, Hotels, Transport, Communication and Services related to Broadcasting' forms part of the overall service sector and is estimated to constitute 11% of the services sector (Source: Ministry of Statistics and Programme Implementation-MOSPI).

India GDP Forecast

The Government of India ("GoI") in its 2019 Union budget outlined the vision to make India a US$ 5.0 trillion economy by FY 2024 as a result of anticipated nominal growth between 11.0% and 12.0% in Nominal GDP at existing exchange rates. As per IMF, per capita GDP in India for CY 2018 is US$ 2,036 and is expected to grow by 7.3% in FY 2019 and by 7.7% in FY 2023. As per IMF forecast for GDP growth (at constant prices), India is expected to demonstrate the fastest growth amongst the seven largest economies across the world. The chart below provides the IMF forecast for GDP growth rate (at constant prices) for India and the other major global economies:



Note: Note: E - Estimated.
Data has been represented as per the national accounts of respective countries such as data on India follows its Fiscal Year
Source: International Monetary Fund, April 2019.

Key Demographic Trends

Growing Urbanisation: According to the United Nations World Urban Report 2018, 453 million of India's population reside in urban locations which is nearly 1.4 times the total population of United States. According to the report, India's urban population will grow to 543 million by CY 2025. Rapid pace of urbanization creates a substantial organic growth opportunity for the hotel sector as it gets new markets to serve.

Young Population: According to the Central Intelligence Agency, World Factbook (June 2019), 587 million individuals, or 44.2% of India's population, are below the age of 24, and will enter the workforce over the next couple of decades, approximately 50 million more than the combined number of youths in the United States and China. Young population has a significant impact on travel habits and patterns including use of hotel products and brands. This consumer group is both more aware and more aspirational helping growth of hotel brands in India.

Key Trends in Travel and Tourism in India

Domestic and Foreign Air Traffic: India is the third largest domestic civil aviation market in the world (Source: IATA - International Air Transport Association). India has a total of 464 airports and airstrips. According to Airport Authority of India, in FY 2019, India's airports managed approximately 345 million passengers, of which over 20.0% were foreign passengers.

International passenger traffic increased by 6.1% and 10.4% in FY 2019 and FY 2018, respectively, and at a CAGR of 8.1% between FY 2010 and FY 2019. Domestic passenger traffic grew by an even faster rate at 13.1% and 18.3% in FY 2019 and FY 2018, respectively, and at a CAGR of 13.3% between FY 2010 and FY 2019. During CY 2017, the Delhi airport registered maximum number of FTAs in India (as a % of total FTA's in India) at 28.4% followed by Mumbai airport at 15.7%, Chennai airport 7.2% and Bengaluru at 5.7% (*Source: Airport Authority of India).*

Indian Tourism Sector: According to World Travel & Tourism Council's Power and Performance Report of 2018, India ranked third on the basis of absolute growth in the travel and tourism sector between CY 2011 and 2017. As per the World Travel and Tourism Council's Report titled Economic Impact 2019, India ranks eighth globally in the travel and tourism`s share to GDP, with the sector contributing 9.2% of the country's total GDP. In CY 2018, the travel and tourism sector grew by 6.7% over CY 2017 and contributed to US$ 247 billion of India's US$ 2.7 trillion GDP. Over the past six years, the total contribution of travel and tourism to India`s GDP has grown at a CAGR of 6.0% between CY 2012 and CY 2018. The total contribution of the travel and tourism sector to the GDP is forecasted to double to US$ 492 billion by FY 2028.

Flow of Foreign and Domestic Tourists: India received 10.6 million Foreign Tourists Arrivals ("FTAs") in CY 2018 compared to 8.0 million in CY 2015, a CAGR of 9.7%. Moreover, of the 10.6 million FTAs, 2.4 million foreign tourists arrived on e-Tourist Visa's during CY 2018 registering a growth of 39.6% over the previous year. The table below provides the data on FTAs since CY 2011:

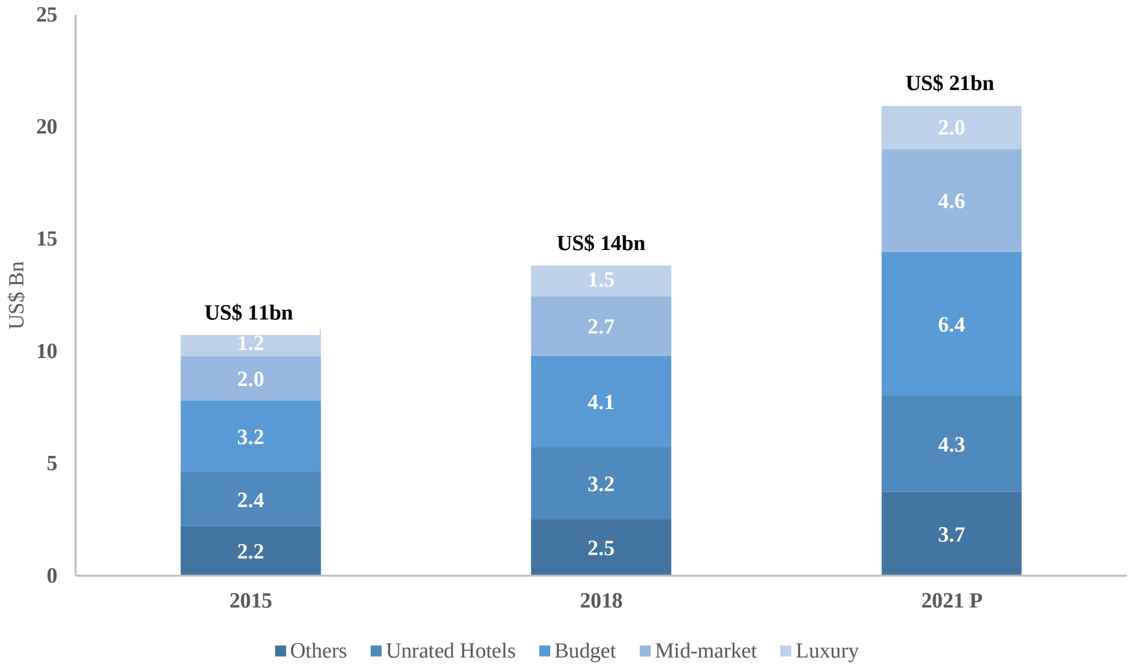
Year	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	YTD 2019*
FTAs (mm)	6.3	6.6	7.0	7.7	8.0	8.8	10.0	10.6	6.1

Source: Ministry of Tourism
** January to July 2019*

On the other hand, domestic tourist arrivals also showed strong growth with approximately 1,652 million travelling passengers in CY 2017, with a 10 year CAGR of 12.1% for the period CY 2007 – 2017, accounting for 87.2% of total spending on travel and tourism in India as per World Travel and Tourism Council's Economic Impact 2019 Report ("Economic Impact Report"). The Economic Impact Report estimates that the domestic tourist's spending will increase to US$ 406 billion by CY 2028. Growth of domestic travel creates a more stable environment for tourism as it is less prone to the negative impact of regional and global geopolitical issues.

Disposable Income Spent on Travel and Tourism: As per the Google and Bain `How Does India Travel` Report 2019, domestic tourist's disposable income share for travel has risen from 7.0% in CY 2013 to 11.0% in CY 2017. Indian travellers spent a total of US$ 14 billion on lodging, which has grown at a CAGR of 8.4% in the last three calendar years. Domestically, Indian travellers spent approximately US$ 7 billion across all categories of lodging.

The table below highlights the Indian travellers spending as per category of lodging for CY 2015, CY 2018 and projected spending in CY 2021:



Note: Unrated Hotels includes lodging facilities which do not classify under any of the other categories mentioned in this graph
Note: Others includes - Airbnb, Lodges, Dharmshalas
Source: Google & Bain "How Does India Travel?" Report, April 2019

MICE: As per the India Inbound Tourism 2019 Report by FICCI, the global MICE tourism industry is envisioned to grow at a CAGR of 7.5% during CY 2017 – CY 2023, with the current value for India pegged at approximately US$ 3,879 million, growing at a rate of 8.0% year on year. The country's improving infrastructure, connectivity, competitive pricing and the ability to club diverse tourism destinations and experiences to MICE activities act as robust drivers of MICE tourism to India.

Currently, India is estimated to have a total space of 5 lakh square metres for MICE activities, which is anticipated to grow to more than 15 lakh square metres over the next 3 years. Hyderabad International Convention Centre (HICC), Expo Centre in Greater Noida, Bangalore International Convention Centre (BICC), Gandhi Maidan in Gandhinagar (Ahmedabad), International Convention Centre (ICC) Pune are some examples of large MICE venues which drive demand for hotel rooms in these cities. These large facilities are backed with modern airports and are expected to create a significant demand for hotel rooms in these cities.

E-Visa: The GoI has taken multiple steps to liberalize the e-Tourist Visa Scheme including creating various categories of E-Visas, increasing validity in select categories (e.g. One year validity for foreign nationals with multiple entry for business visits as against 60 days and two entries previously), increasing validity of E-visa to 28 designated airports and 5 designated seaports. During January- May 2019, a total of 12,32,862 tourists arrived on e-Tourist Visa as compared to 1,013,156 during January-May 2018, registering a growth of 21.7% (Source: Ministry of Tourism).

The table below provides the growth in countries eligible for e-visa since the year 2014.

Year	2014	2015	2016	2017	2018	2019
Number of countries eligible for e-visas	43	113	150	161	163	167

Source: Ministry of Tourism

Government Policy on Tourism: The GoI has introduced various schemes to drive domestic tourism in Tier 2 and 3 cities; key schemes include UDAN scheme (improvement of regional connectivity), SWADESH DARSHAN scheme (development of 15 thematic tourist circuits) and PRASAD scheme (integrated development of pilgrimage destinations). While the above schemes may directly benefit smaller untapped destinations, growth of these destinations will also allow larger cities in India to emerge as transport hubs and attract more visitors.

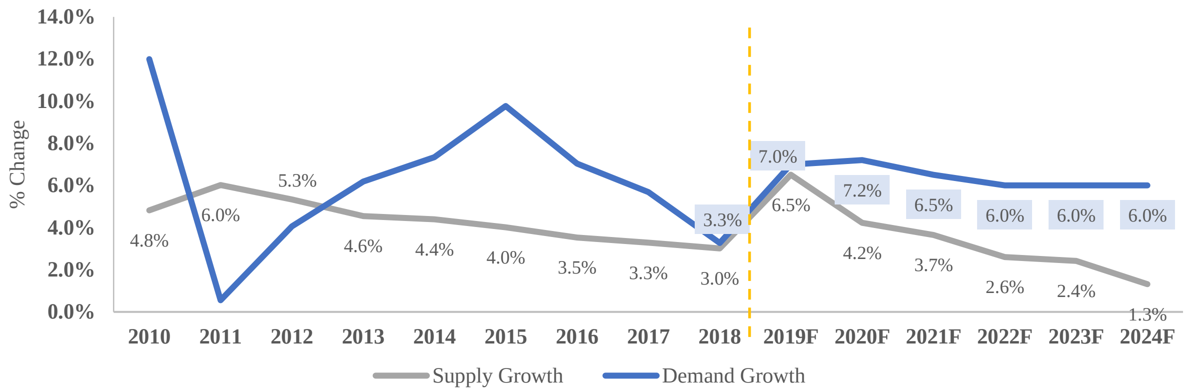
Health and Medical Tourism: The Ministry of Tourism has recognized Medical and Wellness Tourism including Ayurveda as a niche product in order to promote India as a 365 days destination and attract tourists with specific interests. The share of medical tourists to India is 4.9% out of total FTAs in CY 2017. The government initiatives to market medical tourism, provision of financial support and introduction of e-Medical Visa facilities in CY 2014 have provided a boost to FTAs coming to India on Medical Visa which witnessed a CAGR of 39.0% since launch to CY 2018 (Source: India Inbound Tourism 2019 Report, FICCI 2018).

Digital Initiatives: India's digital economy has received a strong impetus through various Government initiatives such as Digital India, Make in India, Start-up India, e-health, Smart Cities, and e-agriculture marketplace/ digital mandis. These initiatives coupled with new and emerging technologies are enhancing the digital economy of the country and are creating new IT-led opportunities for revenue and job creation in both traditional as well as new sectors of the economy such as transport, health, power, agriculture, and tourism.

FDI Policy: GoI's consolidated FDI Policy 2017 allowed 100.0% FDI in the tourism and travel sector through the automatic route. The policy was made applicable for all development projects including construction of hotels and resorts. It further provided a 5 year tax holiday to 2, 3 and 4 star category hotels, which are situated around UNESCO World Heritage Sites (ex-Delhi and Mumbai).

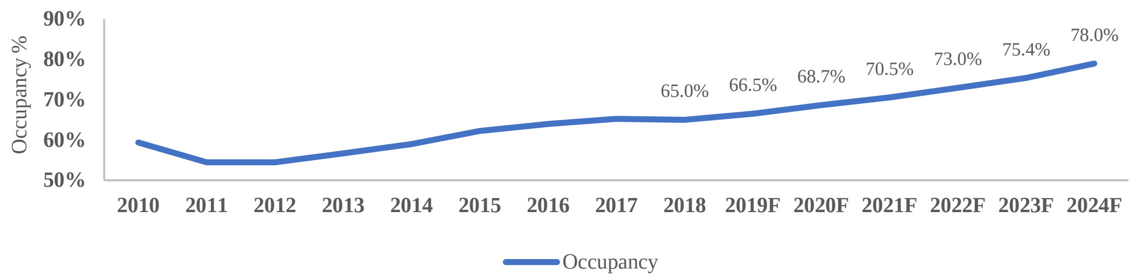
Key Drivers of Demand and Supply Influencing the Hotel Industry

Hotel Sector Demand and Supply Trends: Hotels are often considered the barometer of the larger economy. The hotel sector in India is supported by a growing economy, increasing urbanization, expansion of the consumer base alongside income levels, improvement in transport and tourism infrastructure. While the supply growth in the hotel sector has been high in the past decade (as demonstrated by the table below), it is largely on account of a very low base of hotel rooms in India. Absolute inventory of hotel rooms in India relative to market size (measured by a city's population) remain one of the lowest in the world.



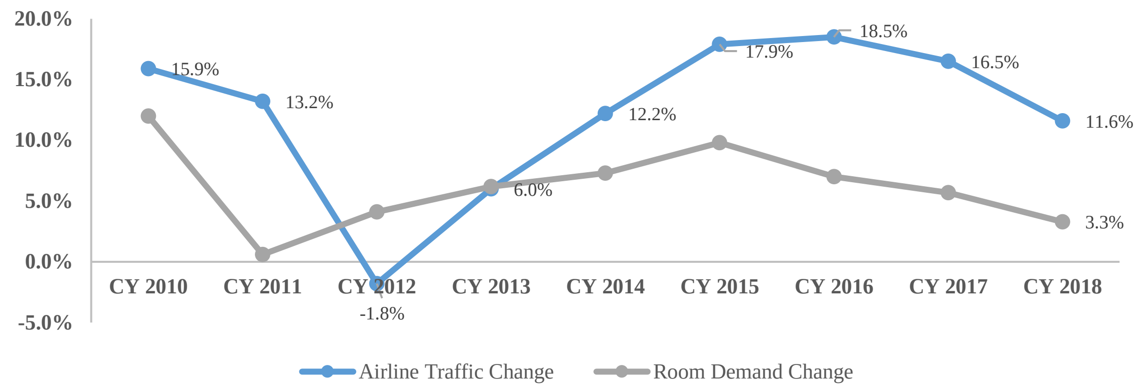
Source: Historical Data – STR (June 2019), Projections from 2019 – HVS Research (June 2019)

Due to presence of several catalysts as discussed above, the overall demand growth for hotels rooms in India has remained strong over past decade. As markets have grown in size (inventory) over years, the incremental supply growth is now projected to be well below demand growth and will support strengthening of occupancy levels, which is a key measure of the industry's health and the support required for the industry to correct its pricing capabilities. The table below provides the historical and forecasted Indian hotel market occupancy levels:



Source: Historical Data – STR (June 2019), Projections from 2019 – HVS Research (June 2019)

<u>*Airline Traffic and Room Demand:*</u> In India, similar to global markets, there is high degree of correlation between growth of hospitality industry and that of airline traffic. The table below provides the year on year growth in airline passenger traffic and demand for hotel rooms between CY 2010 and CY 2018:



Source: Airports Authority of India, STR and HVS Research (June 2019)
Note: AAI provides passenger traffic demand in Financial Year and STR provides data in Calendar Year. The graph intends to depict the demand change trend line comparison between two industries.

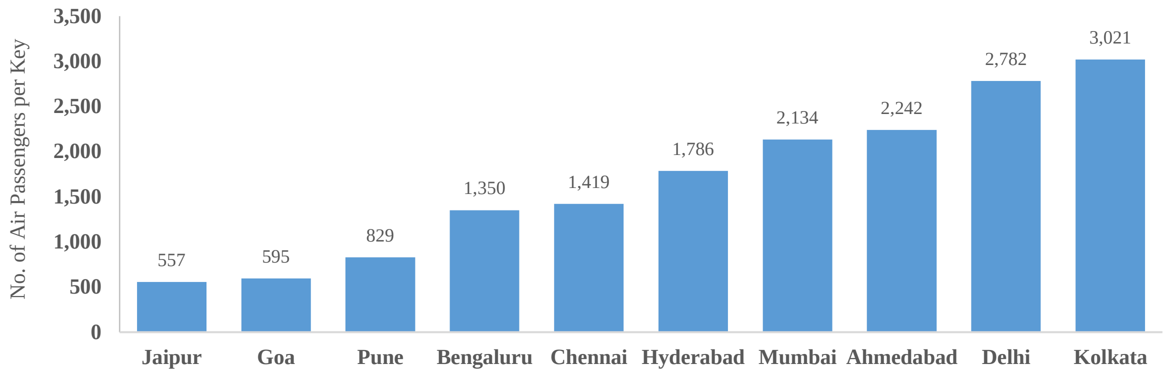
India's growing aviation market will remain to be a strong catalyst for hotel sector. Cities such as Bangalore, Hyderabad, Pune, and Delhi continue to lead the growth of aviation sector in India (as seen in the table below) and consequently have also witnessed strong growth in hotel demand.

Key Urban Consumption Centers	Airline Passenger Traffic (millions)	% Change
	FY 2019	FY 2019 as compared to FY 2018
Delhi	69.2	5.4
Mumbai	48.8	0.7
Bengaluru	33.3	23.8
Chennai	22.5	10.7
Kolkata	21.9	10.0
Hyderabad	21.4	17.9
Ahmedabad	11.2	21.8
Pune	9.1	11.1
Goa	8.5	11.3
Guwahati	5.8	23.1
Lucknow	5.5	16.4
Jaipur	5.5	15.0
Trivandrum	4.4	0.9
Bhubaneswar	4.2	27.9
Patna	4.1	30.6
Calicut	3.4	7.1

Key Urban Consumption Centers	Airline Passenger Traffic (millions)	% Change
	FY 2019	FY 2019 as compared to FY 2018
Indore	3.2	39.2
Coimbatore	3.0	24.8
Vishakhapatnam	2.9	15.0
Bagdogra	2.9	28.5
Nasik	0.0	-
India	**344.7**	

Source: Airport Authority of India, June 2019

Moreover, as per HVS research, of the top 10 cities, Mumbai, Ahmedabad, Delhi and Kolkata have the lowest room penetration to airline passengers indicating opportunity for capacity addition relative to the size of the airline market.



Top-10 major hotel markets in India

Source: Airport Authority of India, HVS Research (June 2019)
Note: Inventory data from HVS Research as on 31 December 2018; Air Passenger data from AAI for FY2019

Commercial Office Space and Room Demand: Another key catalyst for hotel demand is the size of the commercial office market and its growth. Key Indian office markets continued to witness strong leasing momentum; H1 CY2019 witnessed leasing of over 30 million square feet ("msf") (a historic high), which was almost 40.0% higher than H1 CY2018. CBRE estimates that the continuing momentum could lead to aggregating leasing in CY2019 surpassing the previous peak achieved in CY2018. Bengaluru, Hyderabad, NCR (comprising of Delhi, Gurugram and Noida) and Mumbai accounted for 80.0% of the leasing activity during H1 CY2019. All key office markets (as described above) witnessed higher take-up of space in H1 CY2019 as compared to H1 CY2018. Majority of the leasing activity has been on account of take-up of spaces that were pre-leased (Source: CBRE).

Bengaluru and Hyderabad dominated large-sized leases (> 1 lac square feet) with NCR, Mumbai, Chennai and Pune also witnessing few large leases. Companies in technology, banking, financial services and insurance ("BFSI") sectors dominated the leasing activity in H1 CY2019. Additionally, occupiers continued their focus on increasing their leased portfolios and hedging against rental escalations through pre-leasing. The pre-leasing activity in H1 CY 2019 increased to 9 msf from 6 msf in H1 CY 2018, an almost 50.0% increase. Sectors contributing to pre-leasing included technology, co-working, BFSI, automobile, research, consulting and analytics and engineering and manufacturing (Source: CBRE).

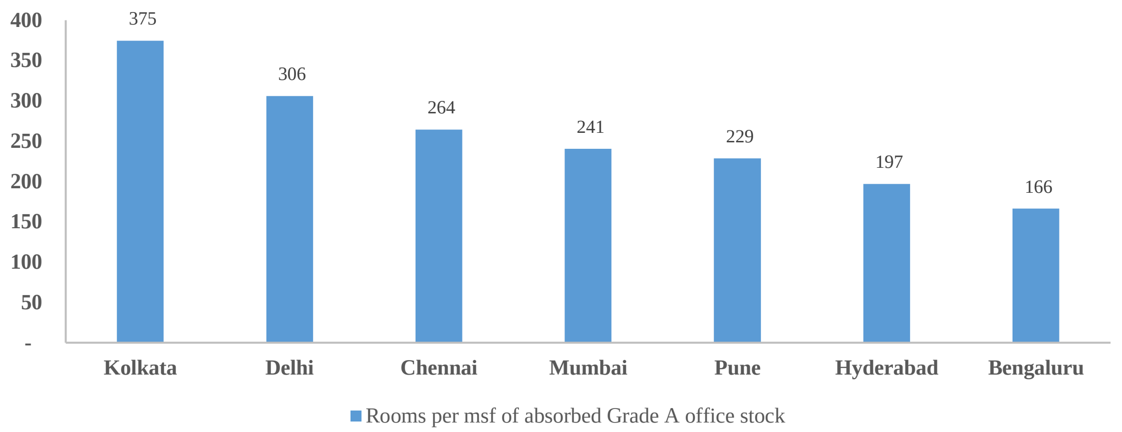
The table below presents the largest office markets in India and their growth over past few years. The expansion of office space is a strong driver for hotel demand as large part of demand in these cities is led by corporate activity.

Cities	Commercial Office Stock (msf)	Vacancy (%)	Commercial Office Stock (msf)	Vacancy (%)	New Supply (msf)	New Supply (msf)
(As of / For the Period ended)	**Dec 31, 2018**	**Dec 31, 2018**	**June 30, 2019**	**June 30, 2019**	**CY 2019F**	**CY 2020F**
Bengaluru	146.7	3.7%	154.2	3.8%	13.2	13.9
Mumbai	118.2	22.5%	121.8	22.0%	7.0	5.2
Chennai	63.1	6.8%	63.9	6.0%	4.8	6.2
Delhi	12.3	27.6%	12.3	27.6%	0.7	-
Gurugram	64.3	24.0%	65.6	23.9%	6.7	7.4
Noida	26.2	21.4%	27.4	17.9%	1.9	1.2
Goa	NA	NA	NA	NA	NA	NA
Hyderabad	60.1	10.1%	68.1	10.7%	13.8	14.9
Pune	49.0	5.4%	50.0	4.4%	5.2	4.8
Kolkata	31.7	39.8%	32.0	39.5%	1.8	-
Ahmedabad	NA	NA	NA	NA	NA	NA
Coimbatore	NA	NA	NA	NA	NA	NA
Nashik	NA	NA	NA	NA	NA	NA
Vishakhapatnam	NA	NA	NA	NA	NA	NA

Source: CBRE, June 30, 2019

Notes: Commercial office stock and absorption data mentioned for select Indian cities for which data is available

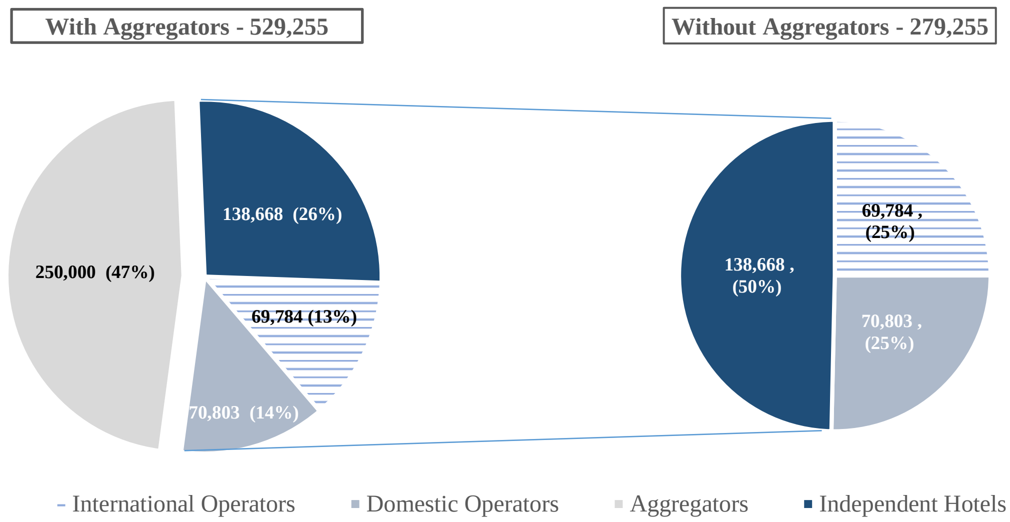
As per HVS research, the top seven commercial destinations of the country have relatively low number of keys for available million sq. ft. of absorbed commercial office space, with Bengaluru and Hyderabad being the most highly underpenetrated. Details on rooms per million square feet of absorbed Grade-A office stock for some of India’s key cities are as follows:



Source: HVS Research (June 2019)

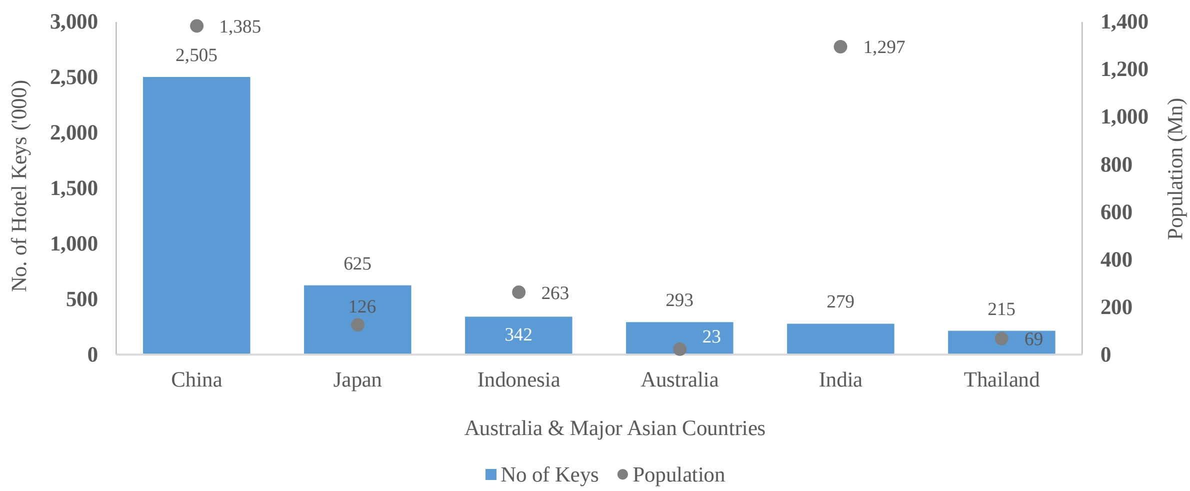
Hotel Industry Supply Scenario

Market Size: The Indian Hotel Market, like any of its global peers, is divided between the organized and the unorganized sector. While the organized sector combined with aggregators as per HVS estimates has a supply of approximately 530,000 keys as on December 31, 2018, the unorganized sector is estimated to have approximately 3 million keys which includes guest houses, motels, homestays, dharamshalas, clubs and similar transient and largely unregulated accommodations, making the unorganized market over 5 times the size of the organized market. The chart below demonstrates the total organized market supply as on December 31, 2018:



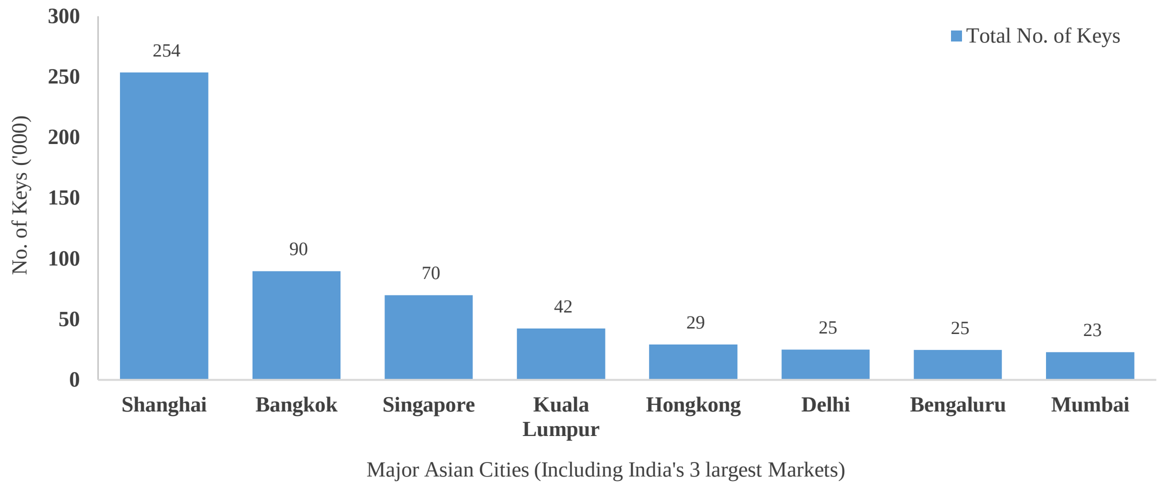
Source: HVS Research (June 2019)

Impact of Branded and Unbranded Rooms on Hotel Supply: According to HVS research, over 75.0% of the total accommodation in India was unbranded and primarily in the economy and the budget hotel segment prior to the year 2013. Branded hotel supply has steadily increased its share in the organized market from 39.0% in 2007 (on a base of 120,000 keys) to 50.0% in 2018 (over a larger base of 279,255 keys). Despite the growth in branded hotel supply in India, it lags behind other countries in Asia Pacific such as China which has nearly nine times more branded hotel rooms and Japan which has nearly two times more branded hotel rooms when compared to India. Details of number of organized hotel keys and penetration is as follows:



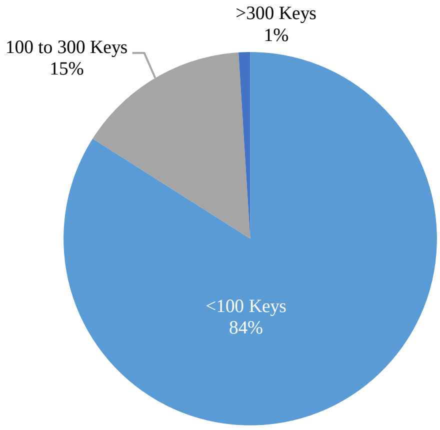
Source: Hotel Keys data from HVS Research (June 2019);
Population data from CIA The World Factbook, Central Intelligence Agency (CIA) as of July 2018 estimated

India ranks the lowest in Asia Pacific region in terms of availability of rooms per airline passenger. Details of branded and organized hotel supply for key APAC cities in CY 2018 is as follows:



Source: HVS Research

Over the past 6 years the new age hotel aggregators have gained significant ground within the industry and account for about 47% of the total organised hotel market as on December 31, 2018. The focus of the new age hotel aggregators from the start of their journey was to gain scale at breakneck speeds. Easy availability of hotels with less than 100 keys, made the process seamless, with the average size of a hotel in the country being approximately 60 keys per hotel as at December 31, 2018. While the aggregators caused disruption within the sector, their impact on the traditional major hotel branded players till date remains limited, as majority of the branded players are much larger in size ranging from 100 to 300 keys, with some even surpassing 300+ keys. The size of these hotels combined with their positioning and facilities allows them to perform in a differentiated market segment. As on December 31, 2018, the distribution of hotels in accordance with their size (i.e. number of keys) is as follows:

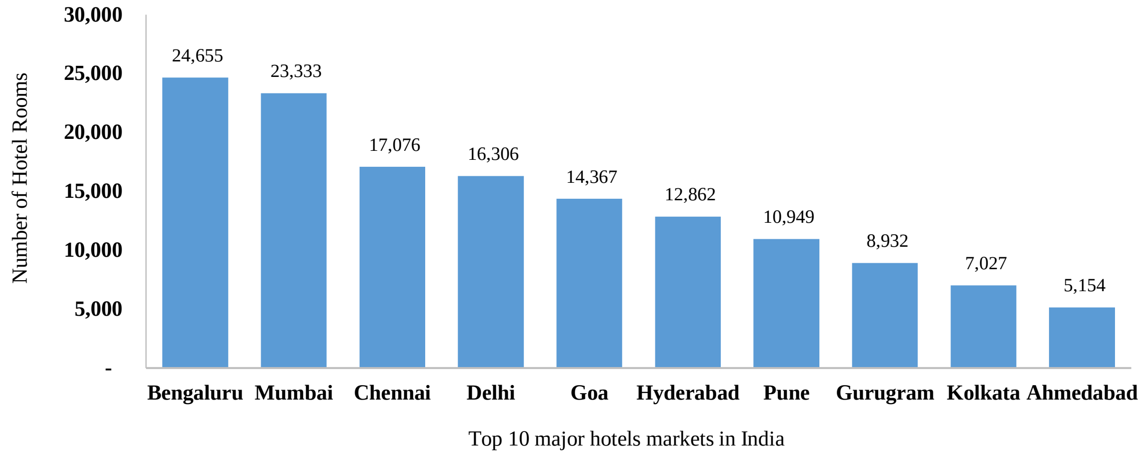


Source: HVS Research (June 2019)
Note: A total of 4,600 hotels pan India were considered for the analysis

City Wise Hotel Sector Supply Overview

Most key markets have reached an inventory level that allows for absorption of new supply without causing significant disruption to existing hotels and therefore provides for a more stable forecast in the near term. Details of number of organized hotel keys in key cities is represented below:

Organized Hotel Supply by Major City (2018)



Source: HVS Research (June 2019)

Hotel Inventory Supply by Key Cities ('000s)

City	CY2011	CY2015	CY2018	CY2024	CAGR CY2011-2015	CAGR CY2015-2018	CAGR CY2018-2024
Bengaluru	17.4	21.7	24.7	29.1	5.7%	4.3%	2.8%
Mumbai	21.2	22.5	23.3	29.0	1.5%	1.2%	3.7%
Chennai	11.7	14.4	17.1	17.7	5.3%	5.9%	0.6%
Delhi	14.5	16.2	16.3	17.1	2.7%	0.3%	0.8%
Gurugram	5.9	8.4	8.9	10.7	9.1%	2.2%	3.0%
Noida	N/A	N/A	2.2	3.4	N/A	N/A	7.4%
Goa	12.0	13.1	14.4	17.3	2.2%	3.1%	3.2%
Hyderabad	9.6	11.8	12.9	13.9	5.5%	2.8%	1.4%
Pune	8.3	10.0	10.9	11.6	4.8%	3.0%	0.9%
Kolkata	5.3	6.2	7.0	8.9	3.7%	4.4%	4.0%
Ahmedabad	3.1	4.8	5.2	7.2	11.7%	2.1%	5.8%
Coimbatore	N/A	N/A	2.1	2.1	N/A	N/A	0.0%
Nashik	N/A	N/A	1.1	1.3	N/A	N/A	2.5%
Vishakhapatnam	N/A	N/A	2.0	2.5	N/A	N/A	3.8%

Source: HVS Research (June 2019)

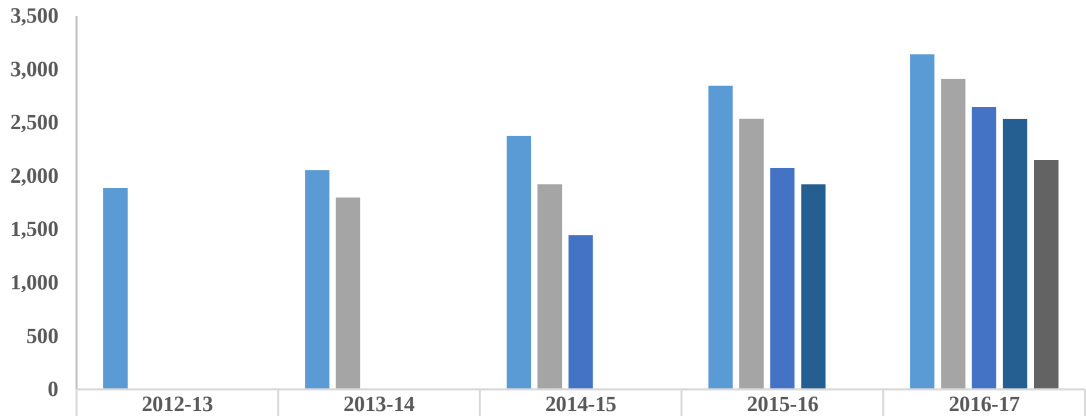
Asset Performance through the Cycle

Even as addition of new inventory over the past decade resulted in overall occupancy levels dropping, it was largely due to the weight of un-stabilised new hotels in overall market. As per HVS Trends & Opportunities 2017, hotels which have operated for a reasonable time period performed materially stronger than overall market average. During FY 2017, hotels which had operated since prior to FY 2013 achieved occupancy of 68.4% against overall market average of 65.6%. Similarly, in the FY 2016, hotels operating since prior to FY 2013 reported Occupancy level of 66.6% against market averages of 63.3%.

Increasing RevPAR on New Hotels

As per HVS Trends and Opportunities Report 2017, new hotel openings are showing improved occupancies and ARRs in the opening years, allowing them to achieve quicker stabilization of their operating performance, as described below.

India Hotel Market Performance of New Hotels (RevPAR)



	2012-13	2013-14	2014-15	2015-16	2016-17
RevPAR 2012-13	1886	2055	2375	2848	3141
RevPAR 2013-14		1799	1923	2537	2909
RevPAR 2014-15			1443	2075	2646
RevPAR 2015-16				1922	2534
RevPAR 2016-17					2146

RevPAR 2012-13 RevPAR 2013-14 RevPAR 2014-15 RevPAR 2015-16 RevPAR 2016-17

Source: HVS Research

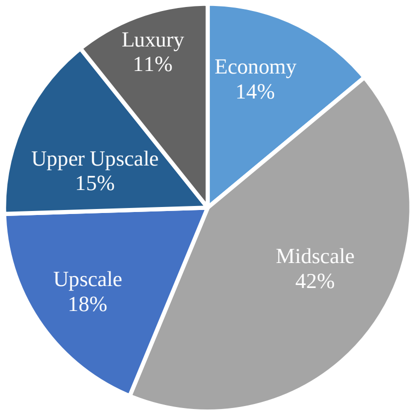
Indian Hotel Segmentation

Existing Segmentation: Branded and independent hotel supply is segmented across 5 key segments – Luxury, Upper-Upscale, Upscale, Midscale and Economy. Midscale and economy sub segment together represent approximately 56.0% of the Organized Hotel Supply which caters to majority of the Indian consumers. Certain terms, which are used for classifying and categorizing hotels, are listed below:

Hotel Segments	Description	Star Rating
Luxury	Typically refers to the absolute top tier hotels. In India, these would generally be classified as five-star deluxe hotels	5 Star Rating
Upper-Upscale	These are hotels which are more moderately positioned and priced than the top tier hotels. Hotels in this category would normally have multiple dinning and recreational facilities with large and opulent public areas. In India, these would generally be classified as five-star Hotels	5 Star Rating
Upscale	These hotels are full-service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upper upscale hotels. In India, these would generally be classified as four-star hotels	4 Star Rating
Upper Midscale / Midscale	These are usually three-star hotels with distinctly moderate room sizes, organized and pricing. Hotels in the category may have restricted services and facilities	3-4 Star Rating

Economy / Budget	These are typically two-star hotels providing functional accommodations and limited services, while being focused on price consciousness.	1-3 Star Rating

As on December 31, 2018 the existing supply segmentation of organized hotels is as follows:

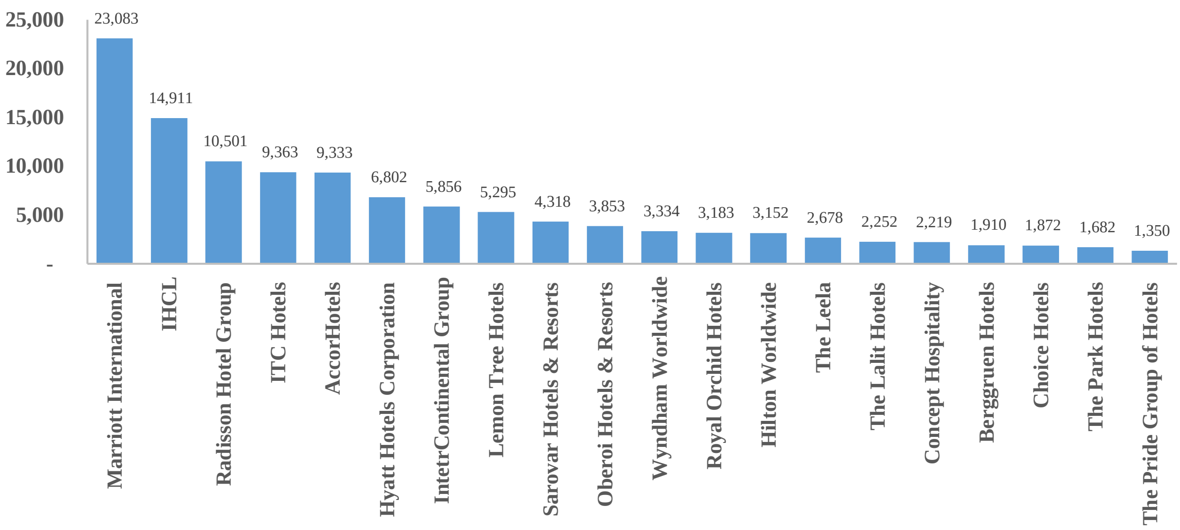


Source: HVS Research (June 2019)

The following table sets forth the composition of organized supply (excluding aggregators) of hotel rooms (000s) in India:

Category	CY2011	CY2015	CY2019	CY2024	CAGR CY2011-2015	CAGR CY2015 – 2018	CAGR CY2018-2024
Upper Upscale	27.0	35.0	38.6	46.8	6.7%	3.3%	3.3%
Upscale	35.3	43.6	48.4	62.3	5.4%	3.5%	4.3%
Mid-scale	98.1	111.7	122.4	142	3.3%	3.1%	2.5%

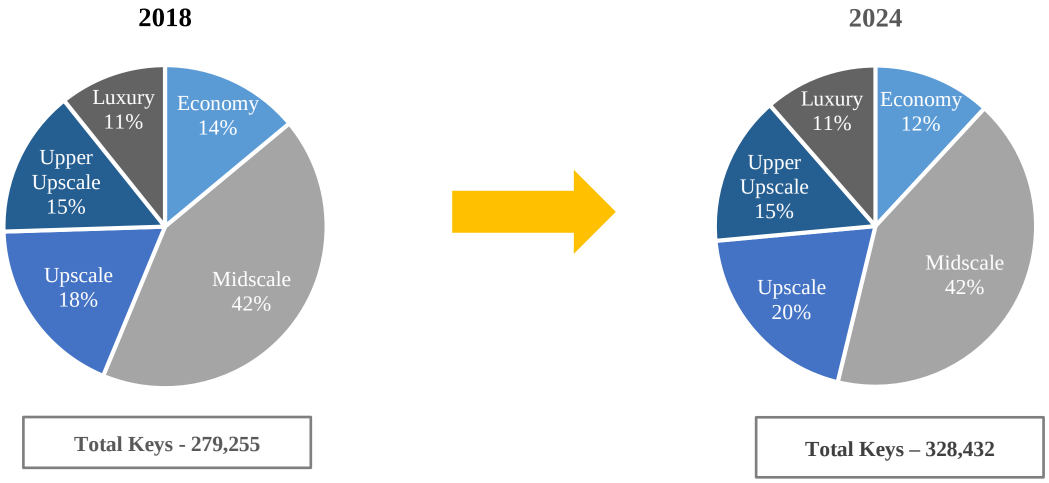
__Presence of Branded Hotels in India:__ Top 20 hotel brands in India account for approximately 117,000 rooms representing approximately 42.0% of total organised hotel inventory in India**.** Marriott International is the largest branded hotel operator in India and has the highest number of keys when compared to other branded peers and accounts for 20.0% of keys amongst the Top 20 branded hotel keys in India. A graphical representation of the top 20 hotel brands in terms of number of keys as on December 31, 2018 is produced below:



Source: HVS Research (June 2019)
Note: Data as on Dec 31, 2018
Note: Marriott International includes the list of all ITC branded hotels, due to their affiliation with ITC.

A key strength of these hotel brands is the base of their hotel loyalty programs. The loyalty program also encourages clients to utilize the hotel company's booking channels to mitigate the cost that is charged by external vendors to the hotels. International brands such as Marriott International and Intercontinental Hotel Group ("IHG") are among the core group of brands with the largest and the most active base of loyalty users, among all hotel companies globally.

Upcoming Branded Hotels in India: Hotel owners in India are steadily realizing the distinction between hotel ownership and hotel branding and as the hotel sector in India matures, the proportion of branded hotels will continue to steadily rise. As at December 31, 2018, the Indian hotel market has a pipeline of 49,177 branded keys that are spread across 403 hotel properties expected to open by 2024. Despite having a similar sized population the pipeline of branded keys in China is more than six times (aggregating to 370,860 keys) as compared to India. Midscale segment accounts for the largest proportion of upcoming supply in India and represents 40.0% of the total upcoming supply in CY 2019 – CY 2024, followed by Upscale and Upper Upscale segment representing 28.0% and 17.0% of the upcoming supply respectively. The comparative market positioning of Indian hotel supply between 2018 and 2024 is reproduced below:



Source: HVS Research (June 2019)

Driven by demonstrated superior performance for branded hotels in India and increasing brand awareness amongst the Indian consumers, there is an increasing trend for rebranding of existing hotels. As per HVS research (March -2019), over the last 3 years, 11,787 hotel keys represented by 145 hotels were rebranded with a majority of them moving from being unbranded to becoming branded.

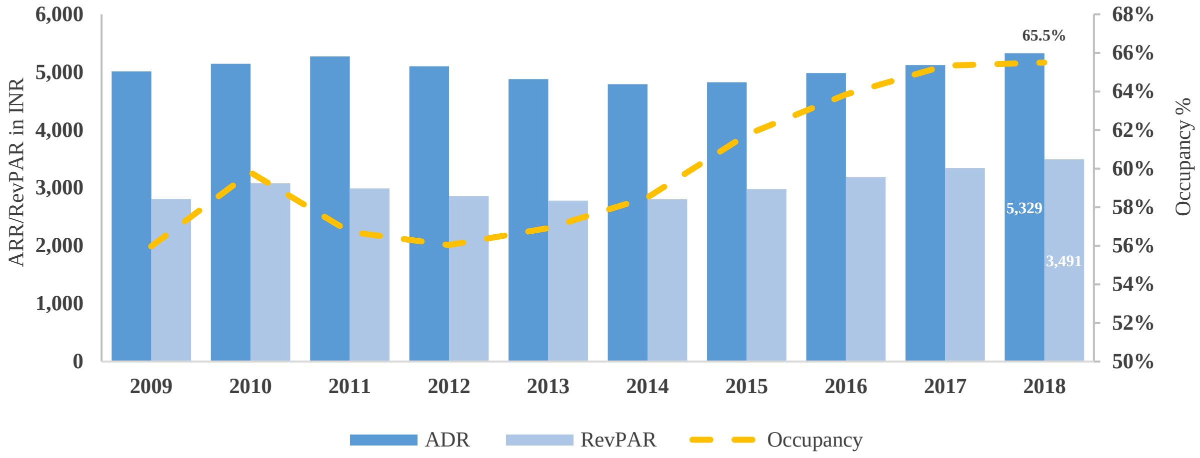
Market Performance of Indian Hotels

Over the past two decades, the Indian hotel industry has witnessed multiple cycles of trading performance. According to HVS research, the period between FY 2005 and FY 2008 witnessed the highest level of trading performance and recorded an ARR of INR 7,989 and occupancy of 68.0%, registering a RevPAR of INR 5,496. For the period between FY 2008 and FY 2010, the market witnessed strong trading activity which abated quickly on account of the combined impact of strong increase in supply and weakening of macroeconomic performance in CY 2011. In CY 2012, due to expectation of large increase in new room supply, hotels reduced room rates. However the increase in hotel supply was lower than expected as several projects were either cancelled or delayed on account of drop in demand. Post CY 2012, demand until CY 2017 outstripped supply growth. Consequently, the period between CY 2013 and CY 2017 witnessed uninterrupted growth in occupancy percentage across India.

In CY 2017, the hotel sector was impacted due to policy changes/announcements such as demonetization, introduction of GST and Supreme Court ruling banning sale of liquor in all commercial establishments located on the national and state highways. Although the industry rebounded reasonably on RevPAR performance, food and beverage ("F&B") revenues was below par on account of the liquor ban.

In CY 2018, the Indian hotel market performance recorded its highest occupancy percentage and ARR. RevPAR grew by 4.3% over the previous year primarily on account of increase in ARR, which grew by 4.0%. This trend continued in first half of the CY 2019 with an all India growth of 4.2% in RevPAR over the same period in CY 2018 and was backed by a growth of 4.0% in ARR. A snapshot of the India Hotel Market Performance between CY 2009 and CY 2018 is as follows:

STR - India Hotel Market Performance
(Calender Year 2009 – 2018)



Source: STR (June 2019)

Performance of Select Geographical Markets in India

Market Wise Occupancy and ARR

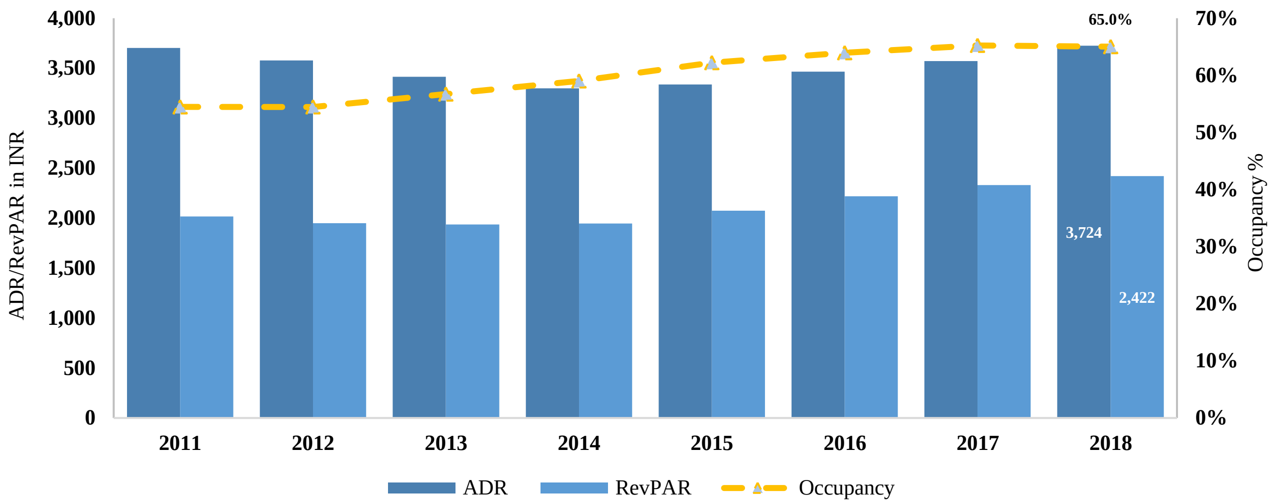
	Occupancy			ARR		
Cities	**CY2011**	**CY2015**	**CY2018**	**CY2011**	**CY2015**	**CY2018**
Bengaluru	54.3%	65.0%	65.6%	6,919	5,494	6,194
Mumbai	63.8%	73.2%	76.6%	8,270	7,325	8,142
Chennai	65.7%	61.4%	64.5%	5,984	4,863	5,112
Delhi	53.1%	65.4%	64.5%	8,128	6,098	6,881
Gurugram	63.0%	60.1%	67.0%	8,013	6,347	6,090
Noida	N/A	N/A	64.5%	N/A	N/A	6,193
Goa	66.5%	69.9%	68.1%	6,181	7,229	8,009
Hyderabad	54.6%	58.8%	69.6%	5,127	4,775	5,165
Pune	51.6%	64.5%	70.4%	4,487	3,963	4,755
Kolkata	71.3%	64.1%	66.8%	6,272	5,685	5,862
Ahmedabad	59.6%	54.7%	63.4%	3,947	4,002	4,455
Coimbatore	N/A	N/A	47.0%	N/A	N/A	4,420
Nashik	N/A	N/A	69.0%	N/A	N/A	3,569
Vishakhapatnam	55.1%	68.2%	67.8%	3,580	3,960	3,916

India Hotel Market Performance by Segments

Calendar Year	All Segments	Upper Upscale	Upscale	Mid-scale
Occupancy				
CY2011	56.7%	55.6%	61.2%	54.5%
CY2015	61.8%	60.7%	60.4%	62.2%
CY2018	65.5%	66.2%	65.8%	65.0%
ARR				
CY2011	5,273	7,129	5,360	3,702
CY2015	4,828	6,332	4,799	3,336
CY2018	5,329	6,689	5,285	3,724

Midscale

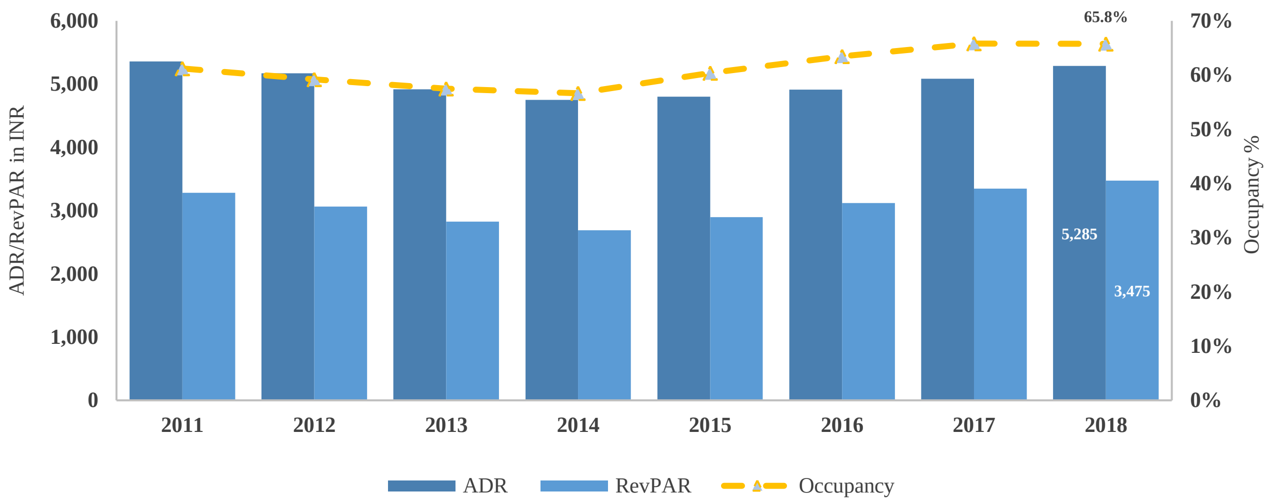
The midscale segment by virtue of its 42.0% composition of the Indian hotel supply has potentially the maximum impact on the overall performance of the sector. For the five year period between CY 2013 and CY 2018, the mid-scale segment's occupancy till CY 2018 has grown by 830 basis points, whereas ARR and RevPAR grew at a CAGR of 1.8% and 4.6% respectively. A snapshot of the hotel market performance of the mid-scale segment between CY 2011 and CY 2018 is as follows:



Source: STR (June 2019)

Upscale

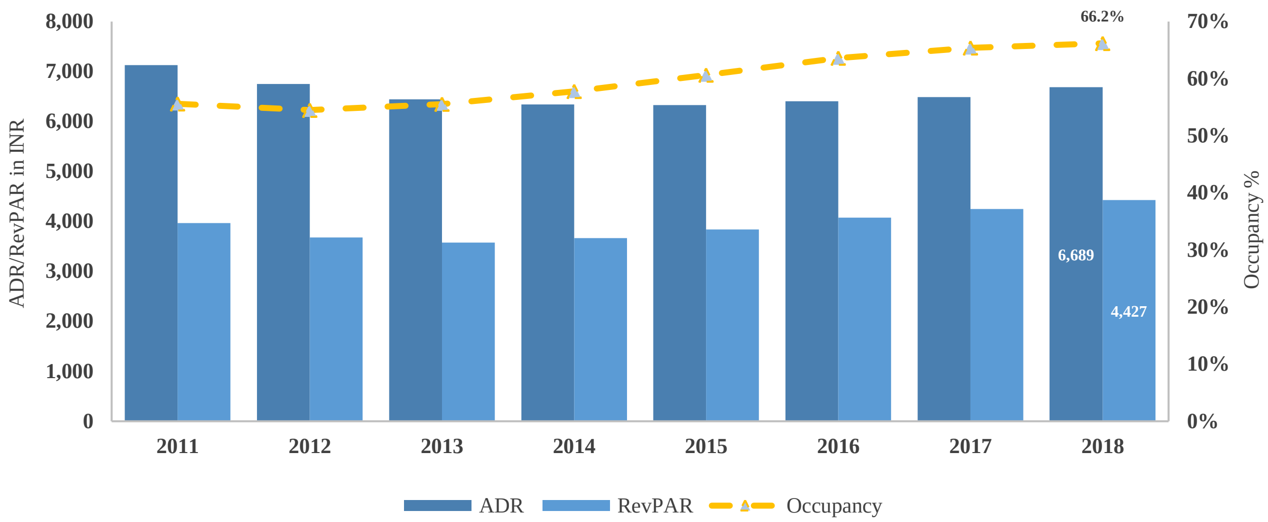
For the Upscale segment, Occupancy growth during the five year period between CY 2013 and CY 2018 was 830 basis points whereas ARR and RevPAR grew at a CAGR 1.5% and 4.2% respectively. In CY 2018, the segment achieved 66.0% occupancy at an ARR of INR 5,285. A snapshot of performance of upscale segment between CY 2011 and CY 2018 is as follows:



Source: STR (June 2019)

Upper Upscale

For the five year period between CY 2013 and CY 2018, the upper upscale segment's occupancy grew by 1,070 basis points whereas ARR and RevPAR grew at CAGR of 0.8% and 4.4% respectively. A snapshot of performance of the upper upscale segment between CY 2011 and CY 2018 is as follows:

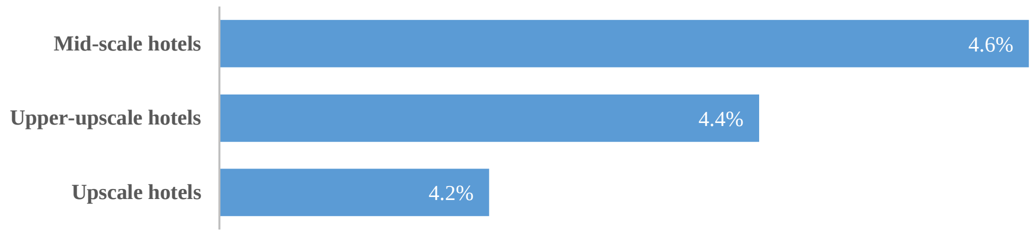


Source: STR (June 2019)

<u>Summary of performance of different segments in the hotel sector</u>

RevPAR across all segments grew in the range of 4.2% to 4.6% with midscale hotels exhibiting highest RevPAR growth of 4.6%. Increasing demand for midscale hotels allowed the midscale hotels to narrow the RevPAR gap with Upscale and Upper-upscale hotels between the period 2013 and 2018. While during CY 2013 Midscale hotels achieved RevPAR of 68.0% and 54.0% relative to Upscale and Upper-upscale segment, by CY 2018 Midscale hotels narrowed the gap and achieved RevPAR of 70.0% and 55.0% relative to Upscale and Upper-Upscale hotels respectively.

RevPAR CAGR of various segments in hotel sector for the period 2013-18



Comparison of Operating Costs of Hotels across Segments

*<u>Gross Operating Profits</u>***:** Gross Operating Profit ("**GOP**") is a key indicator of financial performance of a hotel and is determined by reducing total operating expenses (excluding non-operating expenses such as property tax, insurance and incentive fee to the operator) from total revenues of the hotel. GOP is a globally acceptable ratio in the hotel industry. According to the Federation of Hotels and Restaurants Associations of India 2018 report, GOP in FY 2018 improved by 2.2 percentage points from the previous year, to 34.9%. The chain affiliated hotels recorded 10.0 percentage points higher GOP than independent hotels.

GOP as a percentage of total revenue for the Financial Year 2018 across hotels with different star classifications was as follows:

Category	India – Overall	5 Star Deluxe	5 Star	4 Star	3 Star
Comparable Segment	NA	Luxury	Upper-Upscale	Upper-Midscale	Midscale
Gross Operating Profit as % of Total Revenue	34.9%	39.6%	36.8%	33.3%	24.9%

Source: FHRAI report 'Hotel Industry Survey 2018'
Note: The data is indicative of Financial Year 2018

Average Staff per Room: Employee cost is the one of the highest single cost head for hotels in India. As per the Federation of Hotels and Restaurants Associations of India report `Hotel Industry Survey 2018`, the average staff per room ratio for Indian hotels was 1.6 from a sample set of 387 hotels in India. The average staff per room for the Financial Year 2018 across hotels with different star classifications was as follows:

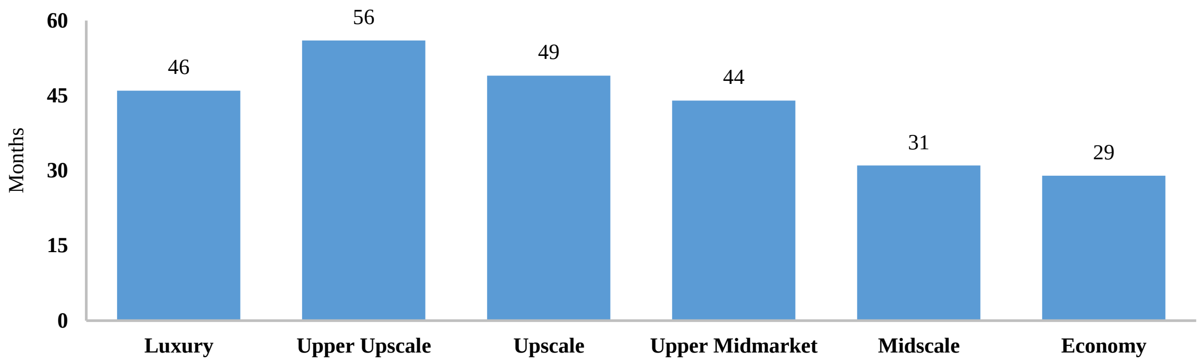
Category	India – Overall	5 Star Deluxe	5 Star	4 Star	3 Star
Comparable Segment	NA	Luxury	Upper-Upscale	Upper-Midscale	Midscale
Average Staff per Room Ratio	1.6	1.8	1.7	1.6	1.6

Source: FHRAI report 'Hotel Industry Survey 2018
Note: The data is indicative of Financial Year 2018

Development Tenure: In India, hotels take longer to be developed than the global average. For instance, it takes between 42 to 60 months to develop hotels in India, which is more than the average of 36 to 42 months regarded as the global industry benchmark for developing hotels (Source: HVS Research). The three key reasons for the slow rate of development in India are:

- Hotels in India require over 100 central and state level licenses, no objection certificates and approvals prior to fully commissioning a new hotel (Source: HVS Research). Procuring all the desired sanctions and clearances from multiple agencies has proven to be an extremely arduous process, making this a major barrier to entry;
- Hiring of unqualified consultants, contractors and project management teams, combined with a pool of unorganized and untrained labor; and
- Poor financial planning wherein developers start their projects without complete financial closure leading to cash flow related issues during the construction of the hotel.

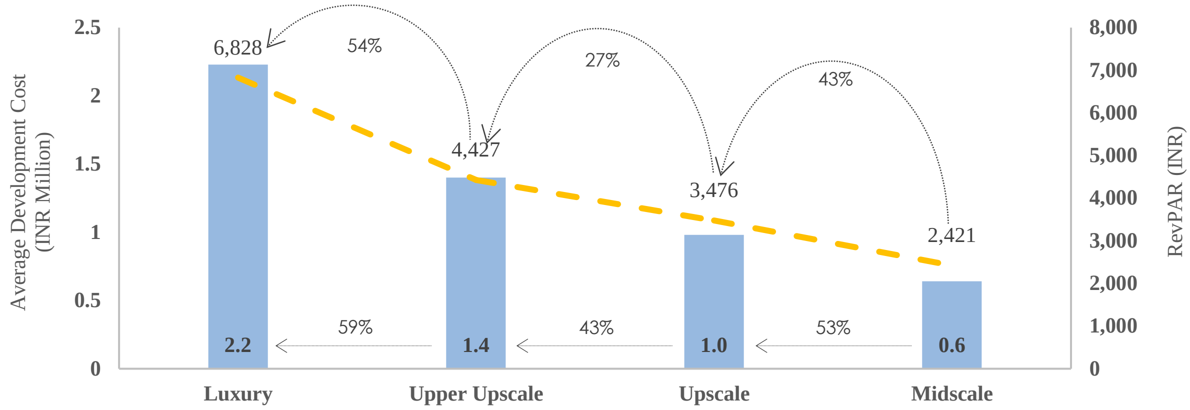
The inordinate delays were most evident in the upscale to luxury hotel constructions, with the Upper-Upscale segment topping the chart with an average construction period of 56 months. The lowest average construction period was clocked by midscale and below segments, which on average took 30 months to construct. (Source: HVS Research; 'India - 2016 Hotel Development Cost Survey'). The table below highlights the average construction tenure across different hotel segments:



Source: HVS 'India - 2016 Hotel Development Cost Survey'

Average Development Cost: Despite taking longer to develop hotels in India as compared to the global average, the development costs in India are lower than most global peers – with the average cost per key (inclusive of development cost but excluding real estate cost) being INR 8.2 million as per HVS's 2016 survey. Key markets such as New York, London, Tokyo and Singapore recorded the highest average development costs, nearly four times the average construction cost of hotels in Mumbai. Further, hotels in New York, London, Tokyo, and Singapore recorded on an average only two times more RevPAR than in Mumbai *(Source: HVS Research)* highlighting India's cost arbitrage benefit and the potential for comparatively higher returns on investment.

The average development cost per key across different hotel segments is reproduced below:



Source: HVS 'India - 2016 Hotel Development Cost Survey'

An analysis of the above table concludes that whilst movement to higher segments of hotel categories allows investors the opportunity to capture higher paying customers, as well as cater to demand emanating from associated facilities such as food and beverage outlets and banqueting, the incremental RevPAR falls short when compared to the incremental cost of developing higher segment of hotels.

Barriers to entry

Development of hotels in India faces several challenges, principal among which are:

Land Acquisition: Acquisition of suitable land with clear title and with the required land use permissions is difficult given that only few such land parcels are available in key urban locations. Alternately, conversion of land from agricultural to commercial purposes is a long-drawn process and can often exceed two years.

Construction and Operating Licenses, Sanctions and Permissions: Upon completion of land acquisition and procurement of appropriate land use permissions, multiple sanctions and licences have to be obtained to construct the building. This includes sanctioned building plans, environmental sanctions, airport building height clearances, and construction labour permits among others. Each of these are dealt by multiple agencies and the average time required to obtain building clearances ranges between 12 to 18 months. Additionally, the list of operating licences and permissions required vary from state to state.

Capital Cost and Borrowing: India's average lending rates range between 11.0% and 14.0% with tenures not exceeding 10 years. On the other hand, global lending rates are 4.0% to 6.0% with tenures exceeding 20 years. The onerous lending terms have further implication on the levels of debt/equity ratio that a hotel can achieve, requiring developers to contribute larger equity proportion towards development than levels in mature markets.

Project Completion Timeframe: Given the issues pertaining to land acquisition, licences and permissions and the quality of project management services ordinarily available, hotels take on an average five years from the land acquisition stage to the commercial opening of a hotel. This is approximately two years more than an average project of similar nature in more mature markets.

Asset Trading: The Indian hospitality market is a developing market with approximately 250,000 branded hotel rooms. In comparison, China has approximately two million rooms, about nine times the size of India. Moreover, the United States has over five million hotel rooms, twenty times the size of India. With our limited inventory and traditional mindset of doing business where selling assets is not considered a favourable option, asset trading in India's hospitality sector remains nascent and insignificant compared to more mature markets. The annual trading volume of hotel assets has never exceeded US$ 350 million for any given year.

Competitive Landscape

Interest by Institutional investors in acquisition of displaced real estate assets primarily on account of poor capital structure is a growing trend in the country, with active interest now developing even in the hotel sector. Traditionally, hotel ownership companies in the country have primarily grown through the greenfield hotel development route which resulted in slow growth of these companies. In more recent times newer hotel companies with the support of institutional capital have initiated the trend of acquisitions of operating and brownfield hotel assets, as means to grow their footprint allowing them to scale up rapidly and reduce development risk. As on June

30, 2019, SAMHI is the third largest hotel asset owner by number of keys and is the fastest growing player by number of keys added per year, when compared with other listed hospitality companies in India.

Table 1: Leading Listed Hotel Ownership Companies with more than 1,000 Owned Keys, listed in order of owned keys (As on June 30, 2019)

Hotel Owner	Owned & Leased Keys	Managed Keys	Total
IHCL (Includes Ginger Hotels)	12,773	5,444	**18,217**
ITC Hotels	4,620	1,188	**5,808**
SAMHI*	4,048	0	**4,048**
Lemon Tree	3,975	1,853	**5,828**
EIH (Combined)	3,412	398	**3,810**
Chalet	2,331	0	**2,331**
Leela	1,408	1,280	**2,688**
Brigade Hospitality	1,196	0	**1,196**

Source: HVS Research (June 2019)

Note: As on June 30, 2019, our research suggests that Lemon Tree Hotels is in the process of acquiring Keys Hotel Brand, which owns and manages 1,911 rooms. Note: Non-listed hotel ownership companies have not been considered on account of unreliability of data available in the public domain

**SAMHI is not a listed company and the reference has been made only for comparative purposes*

Table 2: Average Keys Added Annually* (As on June 30, 2019)

Hotel Owner	Annual Average Keys Added
SAMHI	454
Lemon Tree	196
Chalet	121
IHCL (Includes Ginger Hotels)	110
ITC Hotels	96
Brigade Hospitality	80
Leela	50
EIH (Combined)	49

Source: HVS Research (June 2019)

**From the year of opening of the hotel owner's first hotel asset*

Table 3: Owned hotels by location (As on June 30, 2019)

Hotel Company	No. of different cities in India where the Company owns Hotels
IHCL (Includes Ginger)	61
Lemon Tree	13
SAMHI	12
ITC Hotels	10
EIH (Combined)	6
Leela	5
Brigade Hospitality	4
Chalet	3

Source: HVS Research (June 2019)

KEY REGULATIONS AND POLICIES IN INDIA

The following is an overview of certain sector specific relevant laws and regulations in India which are applicable to the operations of our Company and its Subsidiaries. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

Food Related Legislations

The Food Safety and Standards Act, 2006 ("FSS Act")

The FSS Act was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India ("**FSSAI**"), for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, and to ensure availability of safe and wholesome food for human consumption. The FSS Act also sets out requirements for licensing and registration of food businesses, general principles of food safety, responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by the Food Safety Appellate Tribunal. Further, the Food Safety and Standards Rules, 2011 ("**FSS Rules**") lays down detailed standards for various food products, which include, among others, specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. For enforcement under the FSS Act, the 'commissioner of food safety', 'food safety officer', and 'food analyst' have been granted with detailed powers of seizure, sampling, taking extracts, and analysis under the FSS Rules. The FSSAI has also framed, among others, the following food safety and standards regulations in relation to various food products and additives:

- *Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011*
- *Food Safety and Standards (Packaging and Labelling) Regulations, 2011*
- *Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011*
- *Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011*
- *Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011*
- *Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Regulations, 2017*
- *Food Safety and Standards (Alcoholic Beverages) Regulations, 2018*
- *Food Safety and Standards (Packaging) Regulations, 2018*

Environmental Legislations

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**"), and the Hazardous And Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Rules**") aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land is required to obtain prior consent of the relevant state pollution control board. The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aims to protect and improve the environment and provides rules for the prevention, control and abatement of environment pollution, and imposes obligations for the proper handling, storage, treatment, transportation and disposal of hazardous wastes.

Other Applicable Law

State Laws

We own and operate hotels in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, classification of fire prevention and safety measures and legislations dealing with license for sale of alcohol. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, among others, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Airports Authority of India Act, 1994, as amended ("AAI Act")

The AAI Act, among others, prohibits construction of any building or erection, placement or raising any moveable or immoveable structure or fixture on or in front of any airport premises (as defined in the AAI Act), except in accordance with an approval required to be obtained from the Airports Authority of India.

Excise Laws

Under the Seventh Schedule of the Constitution of India, state legislature is empowered to levy duty of excise on alcoholic liquor made for human consumption. Different state legislatures have enacted state legislations dealing with license for sale of alcohol. Any person selling alcoholic liquor is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of alcoholic liquor. Recently, pursuant to an order by the Supreme Court of India dated December 15, 2016, the Supreme Court of India banned the issuance of new license, and renewal of existing license after April 1, 2017, for sale of liquor within 500 meters of national/state highways. However, the Supreme Court of India, pursuant to an order dated July 11, 2017 clarified that licensed establishments within municipal limits are exempted from this restriction.

Intellectual Property Laws

The Copyright Act, 1957 ("**Copyright Act**") protects literary and dramatic works, musical works, artistic works including photographs and audio visual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music, a public performance license must be obtained. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. The Trade Marks Act, 1999 ("**Trade Marks Act**") provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 ("**FEMA**") along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy ("**FDI Policy**") issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time. Under the current FDI Policy (effective from August 28, 2017), foreign direct investment in companies engaged in the hotels/hospitality sector as well as those engaged in construction development of hotel projects, is permitted up to 100% of the paid up share capital of such company under the automatic route, i.e., without requiring prior government approval, subject to compliance with certain prescribed conditions.

Labour Law Legislations

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- *The Child Labour (Prohibition and Regulation) Act, 1986*
- *The Contract Labour (Regulation and Abolition) Act, 1970*
- *The Employees' Compensation Act, 1923*
- *The Employees' State Insurance Act, 1948*
- *The Employee's Provident Fund and Miscellaneous Provisions Act, 1952*
- *The Equal Remuneration Act, 1976**
- *The Maternity Benefit Act, 1961*
- *The Minimum Wages Act, 1948**
- *The Payment of Gratuity Act, 1972*
- *The Payment of Bonus Act, 1965**
- *The Payment of Wages Act, 1936**
- *The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013*

**The Code on Wages, 2019 (enacted by the parliament of India and assented to by the President of India on August 8, 2019) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936.*

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "SAMHI Hotels Private Limited" on December 28, 2010, as a private limited company under the Companies Act, 1956, at New Delhi, with a certificate of incorporation granted by the RoC. On the conversion of our Company to a public limited company, pursuant to a resolution passed by our shareholders on August 2, 2019 our name was changed to "SAMHI Hotels Limited" and a fresh certificate of incorporation dated August 16, 2019 was issued by the RoC.

Changes in the Registered Office

At the time of incorporation of our Company, our registered office was located at C-67, Anand Niketan, New Delhi 110 021. Details of subsequent changes in the registered office of our Company are as set out below:

Effective date	Details of change	Reasons for change
July 15, 2016	The address of the registered office of our Company was changed from C-67, Anand Niketan, New Delhi 110 021, India to D-28, 2nd Floor, South Extension-I, New Delhi, 110 049, India.	Due to disposal of the earlier premises that was being used as a registered office of our Company, by its owner.
December 11, 2017	The address of the registered office of our Company was changed from D-28, 2nd Floor, South Extension-I, New Delhi, 110 049, India to Caspia Hotels Delhi, District Centre, Crossing Opposite Galaxy Toyota Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India.	Due to administrative convenience.

Our main objects

The main objects of our Company as contained in our MoA are:

"*1. To carry on the business to purchase, manage, acquire, promote and to run Hotels and own, takeover and to operate and run holiday resorts, motel, castles, rest houses, tourist bungalows, cottages, grill rooms and accommodation of all description related to Hotel business with all facilities in India or abroad.*

2. To carry on the business of hotels, motels, resorts, recreation centre, holiday camps, amusement parks, guest houses, banquets halls restaurants, picnic spot, canteens, caterers, cafes, taverns, pubs, bars, beerhouses, refreshment rooms, clubs and lodging or apartments, shopping complex, house keepers, discotheques, swimming pools, health clubs, baths, dressing rooms, health centre, conference centre, gymnastics, yoga centre, massage and beauty parlors in and outside India and related activities thereto.

3. To act as collaborators franchiser, technical exports and marketing of any other hotel, motels, holiday resorts, camps, restaurants, canteens, pubs, bars, refreshment rooms, marriage home, resorts, creation centre, hotel, hotel restaurant, picnic spot and to act as agents of any hotels/company and to do perform all duties, services and office which the agents of any hotels/company usually do and perform undertake and to become bound by conditions of any agreement entered into for any of the purpose aforesaid in and outside India.

4. To carry on the business of consultants to the hotels, resorts, restaurants, canteens and to train-chiefs, cooks, bearers and other manpower for hotel industry in and outside India.

5. To purchase, erect or otherwise acquire, establish and equip, act as collaborators, technical advisor of any other part of the world in the resorts, hotel and restaurant industry.

6. To act as agents of any holiday resort, restaurants, cafe tavern, beer-houses, refreshment room and lodging house, hotel company or as buying and selling agents of any hotel company and to do perform all and singular the several cluites, services and function which agents, buying and selling agents of any hotel company equiality do."

Amendments to our Memorandum of Association

Set out below are the amendments to the Memorandum of Association of our Company:

Date of shareholders' resolution	Details of amendment
January 17, 2012	The authorized share capital of our Company was increased from ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each to ₹ 30,000,000 divided into 3,000,000 equity shares of ₹ 10 each.
August 1, 2012	The authorized share capital of our Company was increased from ₹ 30,000,000 divided into 3,000,000 equity shares of ₹ 10 each to ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each.
August 11, 2014	The authorized share capital of our Company was increased from ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each to ₹ 56,000,000 divided into 5,600,000 equity shares of ₹ 10 each.
December 11, 2015	The authorized share capital of our Company was increased from ₹ 56,000,000 divided into 5,600,000 equity shares of ₹ 10 each to ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each.
August 2, 2019	Amendment of clause I of the memorandum of association to change the name of our Company from "SAMHI Hotels Private Limited" to "SAMHI Hotels Limited".
August 2, 2019	The authorized share capital of our Company of ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each was sub-divided into ₹ 100,000,000 divided into 100,000,000 Equity Shares of ₹ 1 each.
August 2, 2019	The authorized share capital of our Company was increased from ₹ 100,000,000 divided into 100,000,000 Equity Shares of ₹ 1 each to ₹ 130,000,000 divided into 130,000,000 Equity Shares of ₹ 1 each.

Major events and milestones

The table below sets forth some of the major events in the history of our Company

Calendar Year	Events and Milestones
2010	Incorporation of our Company
2011	Initial equity investment by GTI Samhi Pte Limited and Blue Chandra in our Company
2012	Opening of our Corporate Office in Gurugram
	Acquisition of a majority stake (60%) in Barque and addition of 13 Formule 1 hotels to the portfolio
2013	Launch of Asia's first *Fairfield by Marriott* hotel in Bengaluru
	Commencement of operations at *Fairfield by Marriott Bangalore Rajajinagar Hotel* and *Four Points by Sheraton Ahmedabad*
2014	Investment by IFC in our Company by way of subscription to the IFC CCDs
	Commencement of operations at *Hyatt Place Gurgaon / Udyog Vihar*
2015	Equity investment by GSA in our Company
	Commencement of operations at *Sheraton Hyderabad Hotel, Fairfield by Marriott Bangalore Global Technology Park* and *Courtyard by Marriott Bangalore Global Technology Park*
2016	Acquisition of 100% shareholding in Ascent, which currently owns the *Hyatt Regency Pune* hotel
	Commencement of operations at *Four Points by Sheraton Visakhapatnam*
2017	Acquisition of the remaining 40% shareholding in Barque as a result of which Barque became a wholly owned Subsidiary of our Company
	Entered into hotel operator agreements with Intercontinental Hotels Group for rebranding the portfolio of hotels, which was acquired as a result of acquisition of Barque, to "Holiday Inn Express"
	Commencement of operations under the Marriott brand at *Renaissance Ahmedabad Hotel* and *Fairfield by Marriott Coimbatore*
2018	Acquisition of Luxury Singapore Holding Company Pte Limited's 33% shareholding in SAMHI JV, as a result of which our Company acquired 100% shareholding of SAMHI JV
	Commencement of operations at *Holiday Inn Express Pune Hinjewadi, Holiday Inn Express Chennai OMR Thoraipakkam, Holiday Inn Express Gurgaon Sector 50, Holiday Inn Express Bengaluru Whitefield ITPL, Holiday Inn Express Ahmedabad Prahlad Nagar, Holiday Inn Express Hyderabad Banjara Hills, Holiday Inn Express Hyderabad Hitech City, Holiday Inn Express Nashik Indira Nagar, Holiday Inn Express Pune Pimpri* and *Holiday Inn Express Yeshwanthpur Bengaluru*
	Commencement of operations at *Fairfield by Marriott Bengaluru Whitefield, Fairfield by Marriott Chennai OMR, Fairfield by Marriott Pune Kharadi, Fairfield by Marriott Goa Anjuna, Fairfield by Marriott Sriperumbudur Hotel*

Time/cost overrun

We require a number of regulatory permits, licenses and approvals at various stages of construction of our hotels. For details, see "***Government and Other Approvals***" on page 302. We have, from time to time, experienced delays in completion of construction of certain hotel projects from our initial estimated date/ period of completion, on account of delays in receiving relevant construction related approvals or, on account of changes in the hotel designs. As a result of such time delays, we have also experienced overruns in terms of cost, with respect to certain such hotel projects. In certain other instances, the costs we originally estimated were overrun on account of changes in the quality of the furniture and fixtures of our hotels. Such time and cost overruns are in the ordinary course of our business. Such time/ cost overruns involve risks and uncertainties, including those discussed in "***Risk Factors – Internal Risk Factors – We are exposed to risks associated with the ownership and development of our hotel assets. Delays in the construction of new buildings or in the renovation of our existing properties may have an adverse effect on our business, results of operations and financial condition***" on page 34.

Awards and Accreditations

Calendar Year	Awards and accreditations
2019	*Renaissance Ahmedabad Hotel* awarded "*Best Debut Hotel in Gujarat*" as part of Gujarat Tourism Awards, 2019
	Holiday Inn Express Chennai OMR Thoraipakkam awarded "*Certificate for Operations Excellence*" by IHG for outstanding contribution to half-yearly operation metrics
	Holiday Inn Express Gurgaon Sector 50 awarded "*Certificate of Operations Excellence*" by IHG for outstanding contribution to half-yearly operation metrics
	Hyatt Regency Pune awarded the "*Trip Advisor Certificate of Excellence*"
2018	*Fairfield by Marriott Bangalore Global Technology Park* and *Courtyard by Marriott Bangalore Global Technology* awarded "*Modern Hotel of the Year – Karnataka*" as part of Travel & Hospitality Awards
	Four Points by Sheraton Ahmedabad awarded "*Gold Level*" certification as part of Healthy Hotel Certification in Asia Pacific by Marriott International
2017	*Fairfield by Marriott Bangalore Global Technology Park* and *Courtyard by Marriott Bangalore Global Technology* awarded "*Best Business Hotel of the Year*" as part of the Travel & Lifestyle Leadership Awards presented by Lonely Planet
	Fairfield by Marriott Bangalore Rajajinagar Hotel awarded for "*Highest Reduction in Carbon*" in the APEC Region for the second quarter of 2017 by Marriott International
	Hyatt Place Gurgaon / Udyog Vihar awarded "*Best Business Hotels of the Year"* as part of the Travel & Lifestyle Leadership Awards presented by Lonely Planet
2016	*Sheraton Hyderabad Hotel's* Inazia restaurant awarded the "*Best Pan Asian Restaurant*" as part of India Hospitality Awards (West & South)
	Sheraton Hyderabad Hotel awarded "*Hyderabad's Best New Business Hotel of the year*" as part of the South Scope Lifestyle Awards, 2016
	Sheraton Hyderabad Hotel awarded "*Best Debut City Hotel*" as part of South India Travel Awards, 2016
	Hyatt Regency Pune awarded the "*Trip Advisor Certificate of Excellence*"

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There are no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company, except as mentioned in "***Risk Factors – Internal Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition*** *"* on page 28.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc.

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets.

Acquisition of Ascent Hotels Private Limited

Our Company entered into a share purchase and subscription agreement dated December 2, 2015 with Adarsh Kumar Jatia, Bridgestone Developers Private Limited (together, the "**Sellers**") and Ascent Hotels Private Limited ("**Ascent**") pursuant to which our Company (directly and through its nominee) (i) acquired 80.93% of the issued and paid up share capital of Ascent on a fully diluted basis from the Sellers for a consideration of ₹ 1.00 million and (ii) subscribed to 92,829,832 equity shares of ₹ 10 each of Ascent, for a total consideration of ₹ 9.29 million. As a result, our Company acquired 94.79% of the issued and paid up share capital of Ascent with the balance 5.21% shareholding being held by Vascon Engineers Limited ("**Vascon**"). Subsequently, our Company entered into a share purchase agreement dated February 5, 2016 to purchase the remaining 5.21% from Vascon for a consideration of ₹ 266.70 million pursuant to which Ascent became our wholly owned subsidiary. Ascent currently owns the Hyatt Regency Pune hotel. Subsequent to the acquisition of Ascent by our Company, Ascent issued optionally convertible redeemable debentures to Vascon, a condition precedent to which was the acquisition of majority shareholding in Ascent by our Company. For details, see "***Financial Indebtedness***" on page 262.

Acquisition of Barque Hotels Private Limited

Our Company entered into a securities subscription and purchase agreement dated September 13, 2012 and a shareholders' agreement dated September 13, 2012 pursuant to which our Company had acquired 60% of the issued and paid up share capital of Barque Hotels Private Limited ("**Barque**") on a fully diluted basis, and subscribed to 976,800 fully compulsorily convertible debentures, for a total consideration of ₹ 127.18 million. Our Company also subscribed to 10,307,385 fully compulsorily convertible debentures for a total subscription amount of ₹ 1030.74 million upon completion under the securities subscription and purchase agreement, with the balance 40% in Barque being held by AAPC Singapore Pte Limited ("**AAPC**"). Subsequently, our Company entered into a securities purchase agreement dated April 28, 2017 with AAPC (the "**SPA**") to purchase the balance 40% of the issued and paid up share capital of Barque, on a fully diluted basis, held by AAPC for a consideration of ₹ 748.80 million (for part equity and part fully compulsorily convertible debentures), subject to any adjustments on account of applicable foreign exchange conversion charges in accordance with the SPA. Accordingly, we acquired a portfolio of 14 hotel assets, of which Barque currently owns/leases 12 hotels (of which 11 are currently operational) and owns a parcel of land at Hosur Road, Bengaluru. Paulmech Hospitality Private Limited, the wholly owned subsidiary of Barque, owns one hotel asset which is currently under construction in Kolkata.

Acquisition of Caspia Hotels Private Limited

Our Company entered into a share purchase agreement dated May 28, 2014 with Vascon Pricol Infrastructures Limited and Caspia Hotels Private Limited ("**Caspia**") pursuant to which our Company acquired 100% of the issued and paid up share capital of Caspia for a consideration of ₹ 110.88 million. At the time of acquisition, Caspia owned the hotel which is currently being operated as *Fairfield by Marriott Coimbatore*.

Subsequently, our Company entered into a business transfer agreement dated March 27, 2015 (as amended) with Vishnupriya Hotels & Resorts Private Limited, Kotu Sarat Kumar and Kotu Bhavani for acquisition of the *Four Points by Sheraton Visakhapatnam* hotel as a going concern on a slump sale basis for an aggregate consideration of ₹ 950 million, payable in the manner specified under the business transfer agreement. The slump sale included the transfer of, among other things, furniture, fixtures, equipment, stock of raw materials, utilities, records, licenses, insurance policies, contracts, certain employees, goodwill and certain identified liabilities pertaining to the operation of the hotel's business. Our Company assigned all the rights and liabilities under the business transfer agreement to Caspia through an assignment agreement dated May 6, 2015, pursuant to which the *Four Points by Sheraton Visakhapatnam* hotel was transferred to Caspia.

Further, Caspia entered into a business transfer agreement dated December 28, 2015 with Siddhi (Guj) Hospitality LLP, Mukeshbhai Keshavlal Patel, Kalpeshbhai Atmaram Patel, Chetnaben Mukeshbhai Patel, Ramilaben Bharatbhai Patel and Darshanbhai Jayantibhai Patel for acquisition of the *Renaissance Ahmedabad Hotel* as a going concern on a slump sale basis for an aggregate consideration of ₹ 1,000 million (subject to deductions on account of the liabilities being transferred and certain other expenses, in accordance with the business transfer agreement). The slump sale included transfer of the entire business pertaining to owning, running and operating the hotel including, among other things, assets, intellectual property rights, equipment, contract, employees, property, certain identified liabilities, permits, all claims, rights and credits, to Caspia. Caspia also entered into a conveyance deed dated December 28, 2015 with Siddhi (Guj) Hospitality LLP, Mukesh Keshavlal Patel, Chetnaben Mukeshbhai Patel and Modinagar Commercial Cooperative Society Limited for the conveyance of certain land parcels to Caspia along with the transfer of the *Renaissance Ahmedabad Hotel* to Caspia.

Acquisition of SAMHI Hotels (Ahmedabad) Private Limited

Our Company entered into a share purchase agreement dated December 29, 2011 with Sunitha Baljee, Royal Orchid Hotels Limited and Royal Orchid Ahmedabad Private Limited (the former name of SAMHI Hotels

(Ahmedabad) Private Limited) pursuant to which our Company acquired 100% of the issued and paid up share capital of SAMHI Hotels (Ahmedabad) Private Limited ("**SAMHI Ahmedabad**") for a consideration of ₹ 394.40 million (subject to any further upward or downward adjustments in accordance with the terms of the share purchase agreement). At the time of acquisition, SAMHI Ahmedabad owned the hotel which is currently being operated as the *Four Points by Sheraton Ahmedabad*.

Subsequently, our Company entered into a business transfer agreement dated July 15, 2013 with Royal Orchid Hotels Limited, Chander Kamal Baljee and Baljee Hotels and Real Estate (P) Ltd. for transfer of the *Sheraton Hyderabad Hotel* as a going concern by way of a slump sale for an aggregate consideration of ₹ 1,790 million, payable in the manner prescribed under the business transfer agreement, subject to adjustments based on the net working capital of the hotel. The slump sale included the transfer of, *inter alia*, all machinery, equipment, furniture, fixtures, fixed assets, computer, hardware, software, contracts, intellectual property rights, goodwill and liabilities pertaining to the hotel. Our Company assigned all the rights and liabilities under the business transfer agreement to SAMHI Ahmedabad through an assignment agreement dated November 25, 2013, pursuant to which the *Sheraton Hyderabad Hotel* was transferred to SAMHI Ahmedabad. Further, certain floors that form part of the *Sheraton Hyderabad Hotel* have been leased to SAMHI Ahmedabad by ALIF Resources and Infrastructure Private Limited and P. Kiran Kumar pursuant to a lease deed dated April 15, 2014, for use as service apartment/commercial space.

Acquisition of SAMHI JV Business Hotels Private Limited

SAMHI JV Business Hotels Private Limited ("**SAMHI JV**") was incorporated as RJT Hotels Private Limited on February 15, 2011 and subsequently converted into a joint venture between our Company and Luxury Singapore Holding Company Pte. Limited ("**Luxury Singapore**") pursuant to a joint venture agreement dated September 21, 2011, whereby our Company held 67% of the issued share capital of SAMHI JV and 33% was held by Luxury Singapore. Our Company entered into a share sale and purchase agreement dated August 29, 2018 with Luxury Singapore and SAMHI JV and purchased the remaining 33% of the issued share capital of SAMHI JV held by Luxury Singapore for a consideration of ₹ 782 million (subject to adjustment for fair value of the sale shares in accordance with the sale and purchase agreement). SAMHI JV currently owns the *Fairfield by Marriott Bangalore Global Technology Park* and *Courtyard by Marriott Bangalore Global Technology Park*.

Scheme of amalgamation of Xenon with Argon

Pursuant to an order dated July 2, 2019, the National Company Law Tribunal, New Delhi (Principal Bench) sanctioned a scheme of amalgamation under Sections 230 to 232 of the Companies Act 2013, whereby Xenon (erstwhile wholly owned subsidiary of our Company) was amalgamated with Argon, which prior to such amalgamation was an indirect Subsidiary of our Company, with Xenon as its immediate holding company. The appointed date for the merger was March 31, 2018 and the effective date was August 7, 2019.

Upon implementation of the scheme of amalgamation, the entire undertaking of Xenon including all property, liabilities, duties and rights were transferred to and vested in Argon. For every 61 fully paid up equity shares of ₹ 10 each of Xenon, 237 fully paid-up equity shares of ₹ 10 each of Argon were allotted to our Company. Argon currently owns the *Fairfield by Marriott Goa Anjuna*, *Fairfield by Marriott Pune Kharadi* and *Fairfield by Marriott Chennai OMR*, and the *Fairfield by Marriott Bengaluru Whitefield* and *Caspia Delhi* have been leased to us by third parties.

Shareholders' agreements

*Amended and Restated Shareholders' Agreement dated December 11, 2015 executed by and amongst Blue Chandra, GSA, GTI, IFC, Ashish Jakhanwala, Manav Thadani, Ray Ltd., Shree Naman Developers Limited and Thadani Hospitality LLP (collectively, the "**Investors**") and our Company, as amended by Amendment No. 1 dated July 30, 2019 ("**Amendment Agreement**" and collectively, the "**SHA**"); and the related waiver letter dated July 30, 2019 executed amongst these parties ("**Waiver Letter**")*

The Investors have entered into the SHA to govern their mutual rights and obligations in relation to our Company. Pursuant to the terms of the SHA, read with the Waiver Letter, each of Blue Chandra, GSA, GTI and collectively, Ashish Jakhanwala and Manav Thadani, have the right to appoint one non-executive, non-independent director on the Board, at their discretion. Further, each of GTI, Blue Chandra and GSA have the right to appoint one non-voting observer on the Board as well as on each committee of the Board, and such non-voting observers have the right to attend all meetings of the Board and the relevant committees, respectively, and are entitled to receive all notices and correspondences issued to the members of the Board or the relevant committee of the Board, as the case may be. Further, the SHA provides certain inspection and information rights to Blue Chandra, GSA and GTI, as well as certain environment, health and safety related policy and reporting rights to IFC. The Investors have also agreed to be subject to certain restrictions and obligations in relation to certain proposed transfers of shareholding by the Investors, including providing *inter-se* rights of first offer, tag along rights and drag along rights. Pursuant to the Waiver Letter, the shareholders have waived such *inter se* rights, to the extent relevant and required in respect of the Offer.

Further, pursuant to the terms of the SHA, the Investors have affirmative voting rights in relation to various reserved matters, requiring prior written approval of the respective Investors in order for our Company and Subsidiaries to undertake certain matters, including among others: (i) GSA and Blue Chandra are each required to approve matters such as provision of any guarantee, security or taking loans other than in the normal course of business, incurring indebtedness or commencing or settling litigation exceeding, in each case, ₹ 200,000,000 during any 12 month period, changing accounting or tax policies, and entering into any agreement that would materially restrict operations or business of the Company or any Subsidiary, (ii) any two of GTI, GSA and Blue Chandra are required to approve matters such as increasing/decreasing of share capital, issuance of securities or options, any merger, consolidation or spin-off involving the Company or any subsidiary (except certain mergers or amalgamations), approval or amendment of budgets, making any acquisitions, and distribution of dividends, (iii) each of Blue Chandra, GSA, GTI, Ashish Jakhanwala and Manav Thadani are required to approve matters such as appointment of a chief financial officer, managing director or chief executive officer, changing the nature of business or commencing new lines of business, creating any security interest on shares of our Subsidiaries in excess of 50%, entering into any transactions with related parties that are not on an arms' length basis and incurring debt in excess of 65% of the market value of our projects, and (iv) IFC is required to approve matters such as entering into any obligation outside the normal course of business in excess of US$ 2 million, termination, removal or appointment of the managing director and chief executive officer, adoption or amendment of employee stock option scheme in excess of 5% of the Company's fully-diluted issued and paid up equity share capital and payment of dividend if there has been a default in repayment of interest to the holders of the IFC CCDs.

Pursuant to the terms of the Amendment Agreement, upon the commencement of listing and trading of the Equity Shares of the Company on the Stock Exchanges pursuant to the Offer, the SHA shall stand automatically terminated, except for certain clauses relating to indemnification (including indemnification by the Company for any loss incurred by the Investors on account of Company making an untrue statement of a material fact or omitting to state a material fact in the offer documents or violating any applicable law pertaining to an initial public offering), confidentiality, governing law, dispute resolution that will continue to survive such termination. Further, pursuant to the Amendment Agreement, our Company has also, through a resolution of our Board dated September 21, 2019, adopted certain covenants pertaining to matters such as environment, anti-corruption, insurance and related reporting, which we will be required to comply with from the commencement of listing and trading of the Equity Shares of the Company on the Stock Exchanges pursuant to the Offer, until the date that IFC ceases to hold any securities of our Company.

However, the Amendment Agreement and the Waiver Letter will stand automatically terminated, and the SHA (as existing prior to the execution of the Amendment Agreement and the Waiver Letter) shall immediately and automatically be reinstated in the event that listing and trading of the Equity Shares of the Company has not commenced by the earlier of: (i) 45 days from the date of approval by each of Blue Chandra and GSA of the price band proposed by the Company in writing, (ii) the date on which Blue Chandra and/or GSA decline in writing the price band, and (iii) March 31, 2020.

In terms of Part A of the Articles of Association (which will be effective from the commencement of listing and trading of the Equity Shares of our Company on the Stock Exchanges), any shareholder of our Company who individually holds at least 15% of our Company's fully diluted paid-up share capital shall be entitled to nominate one non-executive, non-independent Director on our Board, subject to the approval of the shareholders of the Company as required under the Companies Act.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company has seven direct Subsidiaries and one indirect Subsidiary, details of which are provided below.

Direct Subsidiaries

1. *Argon Hotels Private Limited ("Argon")*

Argon was incorporated as True Value Hotels India Private Limited under the Companies Act, 1956 on April 3, 2007, as a private limited company. Pursuant to a change in its name to Premier Inn India Private Limited, a fresh certificate of incorporation dated September 11, 2008 was issued by the RoC, National Capital Territory of Delhi and Haryana. Further, the name of the company was changed to Argon Hotels Private Limited, pursuant to which a fresh certificate of incorporation dated September 6, 2017 was issued by the RoC, National Capital Territory of Delhi and Haryana. Its CIN is U55101DL2007PTC161614 and its registered office is located at Caspia Hotels Delhi District Centre Crossing, Opposite Galaxy Toyota Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India. Argon currently owns the *Fairfield by Marriott Goa Anjuna*, *Fairfield by Marriott Pune Kharadi* and *Fairfield by Marriott Chennai OMR*, and the *Fairfield by Marriott Bengaluru Whitefield* and *Caspia Delhi* have been leased to us by third parties.

The authorized share capital of Argon is ₹ 1,020,000,000 divided into 102,000,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 77,704,920 divided into 7,770,492 equity shares of ₹ 10 each. Our Company currently holds (directly and through its nominee, Gyana Das) 100% of the issued, subscribed and paid-up equity share capital of Argon. Pursuant to an order of the National Company Law Tribunal, New Delhi (Principal Bench), Xenon (erstwhile wholly owned subsidiary of our Company) was merged into Argon. For further details of the amalgamation of Xenon and Argon, see "***- Scheme of amalgamation of Xenon with Argon***" on page 155.

There are no accumulated profits or losses of Argon not accounted for by our Company.

2. *Ascent Hotels Private Limited ("Ascent")*

Ascent was incorporated under the Companies Act, 1956 on July 5, 2005 as a private limited company. Its CIN is U55101MH2005PTC154475 and its registered office is located at B-7 Om Parshwanath Apartments, Desai and Sheth Nagar, Sai Baba Nagar, Borivali (West), Mumbai, Maharashtra 400 092, India. Ascent currently owns the *Hyatt Regency Pune*.

The authorized share capital of Ascent is ₹ 1,300,000,000 divided into 130,000,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 1,278,014,860 divided into 127,801,486 equity shares of ₹ 10 each. Our Company currently holds (directly and through its nominee, Gyana Das) 100% of the issued, subscribed and paid-up equity share capital of Ascent.

There are no accumulated profits or losses of Ascent not accounted for by our Company.

3. *Barque Hotels Private Limited ("Barque")*

Barque was incorporated under the Companies Act, 1956 on March 27, 2008, as a private limited company. Its CIN is U55101DL2008PTC175957 and its registered office is located at Caspia Hotels Delhi District Centre Crossing, Opposite Galaxy Toyota Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India. Barque currently owns and leases, as applicable, the *Holiday Inn Express Pune Hinjewadi, Holiday Inn Express Chennai OMR Thoraipakkam, Holiday Inn Express Gurgaon Sector 50, Holiday Inn Express Bengaluru Whitefield ITPL, Holiday Inn Express Ahmedabad Prahlad Nagar*, *Holiday Inn Express Hyderabad Banjara Hills, Holiday Inn Express Hyderabad Hitech City, Holiday Inn Express Nashik Indira Nagar, Holiday Inn Express Pune Pimpri, Holiday Inn Express Yeshwanthpur Bengaluru*, *Caspia Pro Greater Noida* and *Holiday Inn Express Mumbai Goregaon* (which is currently under construction), and also owns land at Hosur Road, Bengaluru.

The authorized share capital of Barque is ₹ 300,500,000 divided into 30,050,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 300,461,050 divided into 30,046,105 equity shares of ₹ 10 each. Our Company currently holds (directly and through its nominee, Gyana Das) 100% of the issued, subscribed and paid-up equity share capital of Barque.

There are no accumulated profits or losses of Barque not accounted for by our Company.

4. *Caspia Hotels Private Limited ("Caspia")*

Caspia was incorporated as Compress Infocom Private Limited under the Companies Act, 1956 on July 22, 2005, as a private limited company. Pursuant to a change in its name to Caspia Hotels Private Limited, a fresh certificate of incorporation dated January 14, 2010 was issued by the RoC, Mumbai, Maharashtra. Its CIN is U55209MH2005PTC155010 and its registered office is located at B-7 Om Parshwanath Apartments, Desai and

Sheth Nagar, Sai Baba Nagar, Borivali (West), Mumbai, Maharashtra 400 092, India. Caspia currently owns the *Four Points by Sheraton Visakhapatnam, the Renaissance Ahmedabad Hotel* and *the Fairfield by Marriott Coimbatore*.

The authorized share capital of Caspia is ₹ 350,000,000 divided into 35,000,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 180,000,000 divided into 18,000,000 equity shares of ₹ 10 each. Our Company currently holds (directly and through its nominee, Ashish Jakhanwala) 100% of the issued, subscribed and paid-up equity share capital of Caspia.

There are no accumulated profits or losses of Caspia not accounted for by our Company.

5. *SAMHI Hotels (Ahmedabad) Private Limited ("SAMHI Ahmedabad")*

SAMHI Ahmedabad was incorporated as Satkar Realties Private Limited under the Companies Act, 1956 on February 1, 2005, as a private limited company. Pursuant to a change in its name to Royal Orchid Ahmedabad Private Limited, a fresh certificate of incorporation dated May 14, 2010 was issued by the RoC, Gujarat, Dadra and Nagar Haveli. Further, the name of the company was changed to SAMHI Hotels (Ahmedabad) Private Limited, pursuant to which a fresh certificate of incorporation dated August 16, 2012 was issued by the RoC, Gujarat, Dadra and Nagar Haveli. Its CIN is U55101GJ2005PTC045397 and its registered office is located opposite Gujarat College, Behind Aegis BPO, Essar House, Ellis Bridge, Ahmedabad, Gujarat 380 006, India. SAMHI Ahmedabad currently owns the *Four Points by Sheraton Ahmedabad* and the *Sheraton Hyderabad Hotel*.

The authorized share capital of SAMHI Ahmedabad is ₹ 86,000,000 divided into 22,99,900 class A equity shares of ₹ 10 each, 100 class B equity shares of ₹ 10 each and 6,300,000 preference shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 84,649,460 divided into 2,164,936 class A equity shares of ₹ 10 each, 10 class B equity ₹ 10 each and 6,300,000 0.001% compulsorily convertible preference shares of ₹ 10 each. Our Company currently holds (directly and through its nominee, Ashish Jakhanwala) 100% of the issued, subscribed and paid-up equity share capital and 100% of the preference share capital of SAMHI Ahmedabad.

There are no accumulated profits or losses of SAMHI Ahmedabad not accounted for by our Company.

6. *SAMHI Hotels (Gurgaon) Private Limited*

SAMHI Gurgaon was incorporated as Milestone Landbase Estates Private Limited under the Companies Act, 1956 on July 25, 2006, as a private limited company. Pursuant to a change in its name to SAMHI Hotels (Gurgaon) Private Limited, a fresh certificate of incorporation dated April 16, 2012 was issued by the RoC, National Capital Territory of Delhi and Haryana. Its CIN is U70109DL2006PTC151242 and its registered office is located at Caspia Hotels Delhi District Centre Crossing, Opposite Galaxy Toyota Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India. SAMHI Gurgaon currently owns the *Hyatt Place Gurgaon / Udyog Vihar*.

The authorized share capital of SAMHI Gurgaon is ₹ 65,000,000 divided into 6,500,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 7,087,600 divided into 708,760 equity shares of ₹ 10. Our Company currently holds (directly and through its nominee, Ashish Jakhanwala) 100% of the issued and paid-up equity share capital of SAMHI Gurgaon.

There are no accumulated profits or losses of SAMHI Gurgaon not accounted for by our Company.

7. *SAMHI JV Business Hotels Private Limited ("SAMHI JV")*

SAMHI JV was incorporated as RJT Hotels Private Limited under the Companies Act, 1956 on February 15, 2011, as a private limited company. Pursuant to a change in its name to SAMHI JV Business Hotels Private Limited, a fresh certificate of incorporation dated May 7, 2012 was issued by the RoC, National Capital Territory of Delhi and Haryana. Its CIN is U55101DL2011PTC214129 and its registered office is located at Caspia Hotels Delhi District Centre Crossing, Opposite Galaxy Toyota Outer Ring Road, Haider Pur, Shalimar Bagh, Delhi 110 088, India. SAMHI JV currently owns the *Fairfield by Marriott Bangalore Global Technology Park* and *Courtyard by Marriott Bangalore Global Technology Park*.

The authorized share capital of SAMHI JV is ₹ 1,300,000,000 divided into 130,000,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 1,247,800,000 divided into 124,780,000 equity shares of ₹ 10 each. Our Company currently holds (directly and through its nominee, Gyana Das) 100% of the issued, subscribed and paid-up equity share capital of SAMHI JV.

There are no accumulated profits or losses of SAMHI JV not accounted for by our Company.

Indirect Subsidiary

1. Paulmech Hospitality Private Limited ("Paulmech")

Paulmech was incorporated under the Companies Act, 1956 on July 27, 2010, as a private limited company. Its CIN is U55101WB2010PTC151700 and its registered office is located at DN-2, 11th Floor, Room No. 1103, Salt Lake, Kolkata, West Bengal 700 091, India. Paulmech currently owns an under construction hotel in Rajarhaat, Kolkata.

The authorized share capital of Paulmech is ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each. Its issued, subscribed and paid-up equity share capital is ₹ 19,977,520 divided into 1,997,752 equity shares of ₹ 10 each. Paulmech is an indirect subsidiary of our Company with 100% of its issued, subscribed and paid-up equity share capital being held by Barque (directly and through its nominee, Gyana Das).

There are no accumulated profits or losses of Paulmech not accounted for by our Company.

Significant strategic and financial partnerships

Our Company does not have any significant strategic or financial partners as on the date of this Draft Red Herring Prospectus.

Key terms of other subsisting material agreements

Except as disclosed in " - ***Shareholders' agreements***" on page 155, our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

Agreements with Key Managerial Personnel, Director or any other employee

Other than as disclosed below, there are no agreements entered into by our Key Managerial Personnel or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

*Call Option Deeds each dated December 11, 2015 amongst our Company, GSA and (i) Ashish Jakhanwala, Shree Naman Developers Private Limited and Thadani Hospitality LLP, (ii) Blue Chandra, (iii) GTI, (iv) Ray Ltd. and (v) Manav Thadani (collectively, the "**Goldman Call Option Deeds**")*

Under each of the Goldman Call Option Deeds, GSA has been granted a call option to buy equity shares of our Company held by the respective shareholders who is/are parties to the relevant Goldman Call Option Deeds, upon the occurrence of a liquidation event (as specified in the Goldman Call Option Deeds, and includes an initial public offering of its equity shares by our Company) that triggers a 'Goldman Deficit' under the Goldman Call Option Deeds. A Goldman Deficit is the excess of (a) the aggregate subscription price paid by GSA in December 2015 for the 2,111,976 equity shares of face value of ₹ 10 of our Company (subject to certain specified exclusions), over (b) the aggregate value of the equity shares held by GSA or its affiliates immediately prior to or at the time of a liquidation event (based on an implied value attributable to such liquidation event). The call options under each Goldman Call Option Deed will expire on the achievement of certain specified project-level EBITDA during any 12 month period by our Company. The purchase price of each equity share pursuant to the Goldman Call Option Deeds shall be (a) in the case of Blue Chandra, GTI and Ray Ltd., one Indian paisa per equity share, and (b) in the case of Ashish Jakhanwala, Shree Naman Developers Private Limited and Thadani Hospitality LLP, and Manav Thadani, the lower of (i) the market value of the equity shares as determined by an independent valuer, in consultation with GSA and in accordance with an internationally accepted pricing methodology or such other valuation methodology as required to be adopted under applicable law, and (ii) the minimum price payable under applicable law for such equity shares at the time of exercise of the option. The call options under the Goldman Call Option Deeds will be exercised, if triggered, prior to filing of the Red Herring Prospectus with the RoC.

*Call Option Agreement dated December 11, 2015 amongst our Company, Blue Chandra, GTI, Ashish Jakhanwala and Manav Thadani (the "**Blue Chandra Call Option Agreement**")*

Under the Blue Chandra Call Option Agreement, each of GTI, Ashish Jakhanwala and Manav Thadani have been granted the option to call for purchase of certain equity shares of our Company held by Blue Chandra (the "**Blue Chandra Shares**"), in the event that the aggregate distributions and/or proceeds from sale of shares received by Blue Chandra pursuant to certain events specified under the Blue Chandra Call Option Agreement (which include an initial public offering by our Company ("**IPO**")) are in excess of certain specified thresholds. If the call options are triggered in the manner contemplated under the Blue Chandra Call Option Agreement, such options are required to be exercised immediately prior to filing the red herring prospectus with SEBI. The purchase price of each Blue Chandra Share on exercise of the options shall be ₹ 1 or any higher amount which is the minimum price at which such purchase is permissible under applicable law. The number of Blue Chandra Shares that the option holders will be entitled to purchase will be determined in the manner set out in the Blue Chandra Call Option Agreement (assuming an estimated IPO price based on the mid point of the estimated price band for the IPO) ("**Estimated IPO Price**")). In the event that the actual offer price in the IPO is different from the Estimated IPO Price, the call option holders or Blue Chandra, depending on whether the Estimated IPO Price is lower or higher than the actual offer price in the IPO, shall compensate the other party for the difference in amount in accordance with the terms of the Blue Chandra Call Option Agreement.

OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have up to 13 Directors. Effective from the date of listing and trading of our Equity Shares pursuant to this Offer, Part B of our Articles of Association shall stand automatically terminated and simultaneously, Part A of our Articles of Association will become effective, in accordance with which our Company will be authorised to have up to 15 Directors. As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, comprising one executive Director, three non-executive Directors and four independent Directors. The Chairman of our Board, Ashish Jakhanwala, is an executive Director. Further, we have two women independent directors on our Board. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

Our Board

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

Name, date of birth, designation, address, occupation, nationality, term, period of directorship and DIN of our Directors	Age (years)	Other Directorships
Name: Ashish Jakhanwala *Date of birth:* July 14, 1975 *Designation:* Chairman, Managing Director and Chief Executive Officer *Address:* C-4/4038, Vasant Kunj, New Delhi 110 070, India *Occupation*: Service *Nationality:* Indian *Term:* Five years with effect from August 22, 2019 i.e., until August 21, 2024 *Period of directorship:* Since December 28, 2010 *DIN:* 03304345	44	*Indian Companies* Nil *Foreign Companies* Nil
Name: Brian Douglas Finerty *Date of birth:* April 25, 1975 *Designation:* Non-executive Director *Address:* 861, Grove Street, Glencoe, Illinois, United States *Occupation*: Service *Nationality:* American *Term:* Liable to retire by rotation *Period of directorship:* Since August 22, 2019 *DIN:* 08543173	44	*Indian Companies* Nil *Foreign Companies* 1. ARG Realty 2. Decameron Hotels & Resorts 3. Estapar Estacionamentos 4. GuardeAqui

Name, date of birth, designation, address, occupation, nationality, term, period of directorship and DIN of our Directors	Age (years)	Other Directorships
Name: Manav Thadani *Date of birth:* October 1, 1970 *Designation:* Non-executive Director *Address:* 411, The Aralias, DLF Golf Links, DLF Golf Course Phase 5, Gurgaon, Haryana 122 009, India *Occupation*: Hospitality consultancy *Nationality:* Indian *Term:* Liable to retire by rotation *Period of directorship:* Since December 28, 2010 *DIN:* 00534993	48	*Indian Companies* 1. Hotelivate Private Limited 2. HICSA Event Management Private Limited 3. JLS Health Care Private Limited 4. May Fair Theatre Private Limited 5. S and M Hospitality Private Limited 6. S&M Marketing Services Private Limited 7. S.K.M Executive Search Private Limited *Foreign Companies* 1. Hotelivate Singapore Pte. Ltd.
Name: Michael Peter Schulhof *Date of birth:* November 30, 1942 *Designation:* Non-executive Director *Address:* 136 Egypt Lane, East Hampton, New York, United States of America, 11937 *Occupation*: Private investment *Nationality:* American *Term:* Liable to retire by rotation *Period of directorship:* Since August 22, 2019 *DIN:* 01884261	76	*Indian Companies* 1. Novamed Centers (India) Private Limited 2. Air Works India (Engineering) Pvt. Ltd. *Foreign Companies* 1. Anyclip Ltd. 2. Air Livery Limited 3. Air Works Empire UK Limited 4. GTI AW I 5. GTI Capital Advisors (Cayman) Limited 6. GTI Capital Group Limited 7. GTI Capital Advisory Services Pvt. Ltd.
Name: Anita Ramachandran *Date of birth:* April 28, 1955 *Designation:* Independent Director *Address:* 2401/2402, Raheja Atlantis, G.K. Marg, Lower Parel, Mumbai 400 013, Maharashtra, India *Occupation*: Management consultant *Nationality:* Indian *Term:* One year from August 22, 2019 *Period of directorship:* Since August 22, 2019 *DIN:* 00118188	64	*Indian Companies* 1. Aditya Birla Housing Finance Limited 2. Aditya Birla MyUniverse Limited 3. Cerebrus Consultants Private Limited 4. FSN E-Commerce Ventures Private Limited 5. Godrej and Boyce Manufacturing Company Limited 6. Grasim Industries Ltd. 7. IDFC Asset Management Company Limited 8. Kotak Mahindra Life Insurance Company Limited 9. Oxfam India 10. Rane (Madras) Limited 11. Utkarsh Small Finance Bank Limited 12. Wheelsemi Private Limited *Foreign Companies* Nil
Name: Arjun Sharma *Date of birth:* December 15, 1965	53	*Indian Companies* 1. Ambika Infrabuild Private Limited 2. Canyon Estates Private Limited

Name, date of birth, designation, address, occupation, nationality, term, period of directorship and DIN of our Directors	Age (years)	Other Directorships
Designation: Independent Director *Address:* 27 Sunder Nagar, New Delhi 110 003, India *Occupation*: Business *Nationality:* Indian *Term:* One year from August 22, 2019 *Period of directorship:* Since August 22, 2019 *DIN:* 00003306		3. Indrama Buildcon Private Limited 4. Indrama Buildwell Private Limited 5. Indrama Infrastructure Management Services Private Limited 6. Le Passage To India Tours and Travels Private Limited 7. Sandhar Technologies Limited 8. Select Equity Advisory Services Private Limited 9. Select Holiday Resorts Private Limited 10. Select Mall Management Private Limited 11. Select Infrastructure Private Limited 12. Versatile Food Courts Private Limited *Foreign Companies* Nil
Name: Bonnie Susan Gottlieb *Date of birth:* December 14, 1949 *Designation:* Independent Director *Address:* 3601, Connecticut Avenue, N.W., Apartment 504, Washington, DC, 20008, United States *Occupation*: Service *Nationality:* American *Term:* One year from August 22, 2019 *Period of directorship:* Since August 22, 2019 *DIN:* 08542017	69	*Indian Companies* Nil *Foreign Companies* Nil
Name: Dilip Puri *Date of birth:* November 24, 1963 *Designation:* Independent Director *Address:* Flat No 15-A, Tower 19(I), Central Park Resorts, Hero Honda Road, Subhash Chowk, Sector 48, Islampur, Gurgaon, Haryana 122 018, India *Occupation*: Business *Nationality:* Indian *Term:* One year from August 22, 2019 *Period of directorship:* Since August 22, 2019 *DIN:* 02162778	55	*Indian Companies* 1. Barque Hotels Private Limited 2. Caspia Hotels Private Limited 3. DPA Institute of Tourism and Hospitality Education 4. SAMHI JV Business Hotels Private Limited 5. School of Hospitality India Private Limited *Foreign Companies* Nil

Arrangement or Understanding with major shareholders, customers, suppliers or others

Apart from (i) Brian Douglas Finerty, nominated by Blue Chandra; and (ii) Michael Peter Schulhof, nominated by GTI, in terms of the respective rights of Blue Chandra and GTI under the SHA, read with the Waiver Letter, and our Articles of Association, none of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details of the SHA and the Waiver Letter, see "***History and Certain Corporate Matters – Shareholders' agreements***" on page 155.

Brief profiles of our Directors

Ashish Jakhanwala is the Chairman, Managing Director and Chief Executive Officer of our Company. He was a founder of our Company and has been a member of our Board since December 28, 2010. He holds a bachelor's degree in commerce from the University of Delhi, a diploma in hotel management and catering technology from the National Council for Hotel Management and Catering Technology, New Delhi and a post graduate diploma in management from International Management Institute, New Delhi. He was previously associated with InterGlobe Hotels Private Limited as a regional director-development and with Pannell Kerr Forster Consultants Pvt. Ltd. as a consultant. Ashish Jakhanwala was also awarded the Gold Bernache by Accor in 2009. He co-chaired the Tourism Committee of Federation of Indian Chambers of Commerce and Industry in 2018. He has 23 years of experience in the field of hotel operations, design, consulting and investment.

Brian Douglas Finerty is a non-executive director of our Company. He holds a bachelor's degree in business administration (with high distinction) from the University of Michigan and a master's degree in business administration (with high honours) from the University of Chicago. At present, he is the chief investment officer of Equity International Management, LLC, where he leads Equity International's investment groups, overseeing all investment activity and portfolio company management. Brian Douglas Finerty was previously associated with Madison Dearborn Partners, LLC and ML Pierce, Fenner & Smith, Inc.

Manav Thadani is a non-executive director of our Company. He holds a bachelor's degree in science and a master's degree in arts each from New York University. Manav Thadani is an experienced consultant in the field of hospitality and is the founder and chairman of Hotelivate Private Limited. He was previously associated with HVS Licensing LLC.

Michael Peter Schulhof is a non-executive director of our Company. He holds a bachelor's degree in arts from Grinnell College, Iowa and a master's degree in science from Cornell University, New York. He also holds a degree of doctor of philosophy (physics) from Brandeis University, Massachusetts and was awarded an honorary degree of doctor of science from Grinnell College, Iowa. At present, Michael Peter Schulhof is the chairman of GTI Holdings LLC.

Anita Ramachandran is an independent director of our Company. She holds a bachelor's degree in commerce from R.A. Podar College of Commerce & Economics, University of Mumbai and a masters' degree in management studies from J. B. Institute of Management Studies, University of Mumbai. She is the founder and director of Cerebrus Consultants Private Limited, which provides human resource consulting services and strategic human resource advice. She was previously associated with A F Ferguson & Co.

Arjun Sharma is an independent director of our Company. He holds a bachelor's degree in commerce (honours) from the University of Delhi. He is the chairman of the 'Select Group', which has diversified business interests in shopping centres, travel and tourism, hospitality and retail, among others, and also serves as the managing director of Select Holiday Resorts Private Limited.

Bonnie Susan Gottlieb is an independent director of our Company. She holds a bachelor's degree in arts (with high distinction) in the field of French (honours) from University of Michigan and a degree in juris doctor *cum laude* from Georgetown University Law Center, Washington, D.C. Bonnie Susan Gottlieb is experienced in the field of real estate transactions and is presently associated with the National Association of Real Estate Investment Trust, Washington, D.C. She was previously associated with National Association of Realtors, Society of Industrial and Office Realtors, Washington, D.C., Manekin LLC and Gannett, Co., Inc.

Dilip Puri is an independent director of our Company. He holds a diploma in hotel management from Oberoi School of Hotel Management. He is the founder and chief executive officer of the School of Hospitality India Private Limited. Prior to this, Dilip Puri was associated with Starwood Asia Pacific Hotels and Resorts Pte. Ltd., Starwood Hotels and Resorts India Private Limited, Kumul Hotels Pty Ltd., Sarova Hotels Limited, The Indian Hotels Company Limited, H.I. Hotels India Private Limited, Bass Hotels and Resorts Group and Duet India Hotels Private Limited.

Relationship between Directors and Key Managerial Personnel

None of our Directors are related to each other or to the Key Managerial Personnel of our Company.

Terms of Appointment of our Executive Director

Ashish Jakhanwala

Ashish Jakhanwala was appointed on our Board at the incorporation of our Company. He was appointed as the Managing Director and Chief Executive Officer with effect from February 16, 2011. Most recently, he has been reappointed as the Managing Director and Chief Executive Officer for a period of five years with effect from August 22, 2019, pursuant to resolutions passed by our Board and shareholders on August 22, 2019 and August 27, 2019, respectively.

Pursuant to the shareholders' resolution dated August 27, 2019, Ashish Jakhanwala is entitled to the following remuneration and perquisites with effect from August 22, 2019, for a period of five years:

S.No	Particulars	Remuneration per annum (₹)
1.	Basic salary	11,040,000
2.	House rent allowance	5,520,000
3.	Flexible salary (subject to the following sub-limits)	Up to 11,040,000
	(a) Special allowance	9,444,540
	(b) Children education allowance	1,200
	(c) Car hire charges	997,860
	(d) Fuel reimbursements	240,000
	(e) Vehicle maintenance	120,000
	(f) Driver salary	168,000
	(g) Meal voucher	26,400
	(h) Telephone and broadband	42,000
4.	Employers' Provident Fund (above and above fixed salary)	1,324,800
5.	Variable pay	Up to 13,800,000
6.	Gratuity	As per law
7.	Leave encashment	As per Company policy

He received gross remuneration of ₹ 26.13 million in Fiscal 2019 from our Company.

Compensation paid to our Non-Executive Directors and our Independent Directors

Our non-executive directors and independent directors may be entitled to receive sitting fees, as determined by our Board from time to time, for attending meeting of our Board and committees thereof.

Except for Manav Thadani and Michael Peter Schulhof, all our non-executive directors and independent directors were appointed in Fiscal 2020. Manav Thadani and Michael Peter Schulhof have not received any sitting fee for Fiscal 2019.

Remuneration paid or payable from our Subsidiaries

None of our Directors has been paid any remuneration from our Subsidiaries, including any contingent or deferred compensation accrued for Fiscal 2019.

Bonus or profit sharing plan for the Directors

Except for Ashish Jakhanwala, who is entitled to a variable pay as approved by our shareholders pursuant to a resolution dated August 27, 2019, our Company does not have any bonus or profit sharing plan for our Directors. For details, see " – ***Terms of Appointment of our Executive Director***" on page 165.

Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 84, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service contracts with Directors

Except in the case of Ashish Jakhanwala as disclosed below, there are no service contracts entered into by our Directors with the Company which provide for benefits upon termination of employment.

Pursuant to an agreement dated January 28, 2016 executed among our Company, Ashish Jakhanwala, Blue Chandra, GTI, IFC and GSA as amended and restated on September 11, 2019 ("**Employment Contract**"), Ashish Jakhanwala is entitled to a severance payment equalling 40 months of his monthly salary (at the time of termination of his employment with our Company), payable in 12 equal monthly installments following the termination, subject to such termination being for the following reasons: (a) removal without cause by our Company, wherein 'cause' means (i) commission of any act of fraud relating to our Company or its business, (ii) misappropriation or embezzlement of funds or larceny or theft of property of our Company, (iii) wilful and persistent failure to perform duties to our Company (after written notice by the Board and consequent failure to follow directives), (iv) material breach of the SHA, or (v) engaging in certain events, including, any competitive business, using any non-publicly available information of our Company to solicit or encourage any third party to pursue any competing business, or soliciting or endeavouring to entice away any investors or employees of our Company to leave the employment of our Company (such events covered under (v), being "**Identified Events**"); or (b) voluntary resignation due to a 'good reason' by Ashish Jakhanwala, wherein 'good reason' means (i) a breach of the SHA by Blue Chandra, GTI, IFC or GSA that is materially adverse to Ashish Jakhanwala, (ii) a material decrease in Ashish Jakhanwala's remuneration or a material change/derogation in Ashish Jakhanwala's position of employment, with no relation to his performance metrics and without his written consent, or (iii) breach by our Company of the Employment Contract and the SHA, if proven and incapable of remedy. Any severance payment made pursuant to the Employment Contract is required to be returned to our Company in the event that Ashish Jakhanwala engages in any Identified Events, subject to the terms of the Employment Contract, at any time up to the completion of the severance payment period.

Further, in the event that Ashish Jakhanwala's employment is terminated by our Company without 'cause' or he voluntarily resigns for 'good reason' or in the event of his death or permanent disability, Ashish Jakhanwala (or his estate) may, in his (its) sole discretion, require our Company to promptly arrange for the purchase of up to fifty percent (50%) (or one hundred percent (100%) in the event of Ashish Jakhanwala's death or disability) of Ashish Jakhanwala's shares at their then current fair market value determined in accordance with the Employment Contract, subject to any condition as specified by the Board in the Employment Contract.

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or committees thereof. For further details, see "***- Terms of Appointment of our Executive Director***", "***- Compensation paid to our Non-Executive Directors and our Independent Directors***", both on page 165.

Our Directors may be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. Additionally, our Directors may be interested to the extent of any employee stock options that may be granted to them under the ESOP Schemes. For further details regarding the shareholding of our Directors, see "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 84, respectively.

Pursuant to the resolution passed by our Board on March 18, 2014 and by our shareholders on March 19, 2014, our Company extended a loan of ₹ 20.55 million to Ashish Jakhanwala, our Managing Director and Chief

Executive Officer by way of a loan agreement dated March 20, 2014 ("**Loan Agreement**"), to enable Ashish Jakhanwala to subscribe to certain compulsorily convertible preference shares of our Subsidiary, SAMHI Ahmedabad. In terms of the Loan Agreement, as amended on February 21, 2018, the loan was to be repaid by March 31, 2019, which was subsequently extended to March 31, 2024 pursuant to a resolution passed by our Board on February 27, 2019. The Loan Agreement was further amended on August 30, 2019, pursuant to which the entire principal amount is required to be repaid by Ashish Jakhanwala in a single instalment along with interest of 14.75% p.a. on or prior to March 31, 2021. However, in the event that Ashish Jakhanwala receives proceeds from the sale of his shareholding pursuant to an initial public offering undertaken by our Company, which are equal to or higher than the then outstanding loan amount (including accrued interest), Ashish Jakhanwala is required to repay the outstanding loan amount within 30 days of the receipt of such proceeds or such other date as may be extended by our Company with the approval of our Board. As on June 30, 2019, the total outstanding loan amount, including the accrued interest, is ₹ 36.49 million.

Our non-executive Directors (i) Brian Douglas Finerty, nominated by Blue Chandra and (ii) Michael Peter Schulhof, nominated by GTI, may be deemed to be interested to the extent of the shareholding in our Company of the entities nominating them.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in land and property

Our Directors are not interested in any property acquired or proposed to be acquired by our Company.

Interest in promotion or formation of our Company

Our Directors have no interest in the promotion or formation of our Company as on the date of this Draft Red Herring Prospectus.

Business interest

Except as stated in the section titled "***Financial Statements – Annexure VI – Notes to Restated Consolidated Financial Information – Note 41 – Related party disclosures***" on page 229, our Directors do not have any other business interest in our Company.

Directorships of Directors in listed companies

None of our Directors are, or for the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure.

None of our Directors has been or is a director on the board of directors of any listed company which has been /was delisted from any stock exchange(s), during his/her tenure.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date of Change	Reasons
Aalok Virmani	September 1, 2016	Cessation as a director
Ravi Trilok Hansoty	September 1, 2016	Cessation as a director
Patrick John Kassen	November 10, 2016	Appointment as a director*
Joshua Edward Livingstone	November 10, 2016	Appointment as a director*
Patrick John Kassen	December 8, 2017	Cessation as a director
Linxi Chang	March 14, 2018	Appointment as a director**
Arjun Sharma	June 28, 2019	Cessation as a director
Amit Jain	August 16, 2019	Cessation as a director
Jonathan Richard Vanica	August 22, 2019	Cessation as a director

Name of Director	Date of Change	Reasons
Arjun Sharma	August 22, 2019	Appointment as an independent director
Bonnie Susan Gottlieb	August 22, 2019	Appointment as an independent director
Anita Ramachandran	August 22, 2019	Appointment as an independent director
Dilip Puri	August 22, 2019	Appointment as an independent director
Brian Douglas Finerty	August 22, 2019	Appointed as a non-executive director
Joshua Edward Livingstone	August 23, 2019	Cessation as a director
Linxi Chang	August 23, 2019	Cessation as a director
Thomas Patrick Heneghan	August 23, 2019	Cessation as a director
Som Krishna	August 23, 2019	Cessation as a director
Niladri Mukhopadhyay	September 19, 2019	Cessation as a director

**Regularized pursuant to a resolution passed by the Shareholders on September 28, 2017.*
***Regularized pursuant to a resolution passed by the Shareholders on September 25, 2018.*

Borrowing Powers

Pursuant to our Articles of Association and applicable provisions of the Companies Act, 2013, our Board is entitled to borrow (excluding temporary loans obtained in the ordinary course of business) up to such amount that does not exceed, in the aggregate, the paid-up share capital, free reserves and securities premium of our Company.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, comprising one executive Director, three non-executive Directors and four independent Directors. The Chairman of our Board, Ashish Jakhanwala, is an executive Director. Further, we have two women independent directors on our Board. Additionally, Dilip Puri, an independent Director on our Board, has also been appointed as an independent director on the board of directors of each of our material Subsidiaries, SAMHI JV, Caspia and Barque. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act, 2013.

Board committees

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act 2013:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) Risk Management Committee.

Audit Committee

The Audit Committee was last reconstituted pursuant to the meeting of the Board held on September 2, 2019. The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently consists of:

(a) Dilip Puri (*Chairperson*);
(b) Brian Douglas Finerty; and
(c) Bonnie Susan Gottlieb.

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference: The terms of reference of the Audit Committee shall include the following:

The Audit Committee shall have powers, including the following:

(a) To investigate any activity within its terms of reference.

(b) To seek information from any employee.
(c) To obtain outside legal or other professional advice.
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

(a) Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible.
(b) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee.
(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Modified opinion(s) in the draft audit report.
(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
(h) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
    Explanation*: The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act 2013.*
(i) Scrutiny of inter-corporate loans and investments.
(j) Valuation of undertakings or assets of the Company, wherever it is necessary.
(k) Evaluation of internal financial controls and risk management systems.
(l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
(m) 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.
(n) Discussion with internal auditors of any significant findings and follow up there on.
(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
(p) 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.
(q) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
(r) Recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
(s) Reviewing the functioning of the whistle blower mechanism.
(t) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases.
(u) Approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

(v) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
(w) Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Additionally, 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 in terms of the SEBI Listing Regulations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
  - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated September 2, 2019. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently consists of:

(a) Anita Ramachandran (*Chairperson*);
(b) Brian Douglas Finerty; and
(c) Bonnie Susan Gottlieb.

Scope and terms of reference: The terms of reference of the Nomination and Remuneration Committee shall include the following:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
(b) Formulation of criteria for evaluation of performance of independent directors and the Board.
(c) Devising a policy on Board diversity.
(d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director).
(e) 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 to the Board, all remuneration, in whatever form, payable to senior management.
(g) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

In addition, the Nomination and Remuneration Committee has also been empowered to perform such functions as are required to be performed by the compensation committee/Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:

(a) administering the employee stock option plans of the Company as instituted from time to time, including the ESOP Schemes;
(b) determining the eligibility of employees to participate under the employee stock option plans;
(c) granting options to eligible employees and determining the date of grant under the employee stock option plans;
(d) determining the number of options to be granted to an employee under the employee stock option plans;
(e) determining the exercise price under the employee stock option plans; and

(f) construing and interpreting the employee stock option plans and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated September 2, 2019. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

(a) Dilip Puri (*Chairperson*);
(b) Bonnie Susan Gottlieb; and
(c) Michael Peter Schulhof.

Scope and terms of reference: The terms of reference of the Stakeholders' Relationship Committee shall include the following:

(a) Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders.
(b) Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer/ transmission of Equity Shares, non-receipt of share certificates, declared dividends, annual reports, balance sheets of the Company, general meetings, etc.
(c) Giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities.
(d) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.
(e) Reviewing measures taken for effective exercise of voting rights by shareholders.
(f) Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent.
(g) Reviewing the various measures and initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
(h) Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was last reconstituted by a resolution of our Board dated September 2, 2019. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee currently consists of:

(a) Bonnie Susan Gottlieb (*Chairperson*);
(b) Michael Peter Schulhof; and
(c) Arjun Sharma.

The Corporate Social Responsibility Committee is authorized to perform the following functions:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013.
(b) Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
(c) Monitor the corporate social responsibility policy of the Company and its implementation from time to time.
(d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

Risk Management Committee

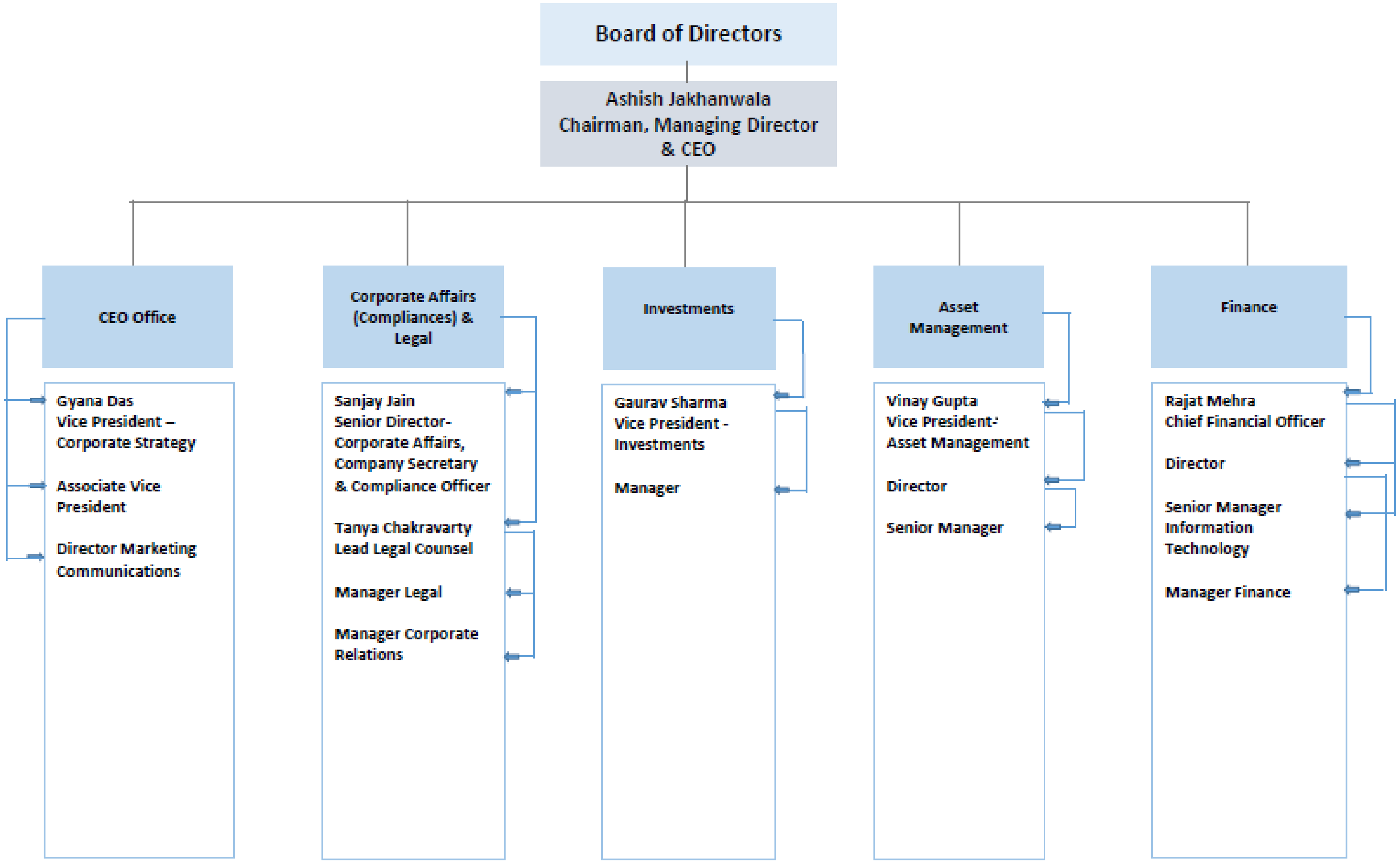
Our Risk Management Committee was constituted by a resolution of the Board dated September 2, 2019. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently consists of:

(a) Michael Peter Schulhof (*Chairperson*);
(b) Manav Thadani; and
(c) Rajat Mehra.

Scope and terms of reference: The terms of reference of the Risk Management Committee shall include the following:

(a) To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof.
(b) To implement and monitor policies and/or processes for ensuring cyber security.
(c) To frame, devise and monitor risk management plan and policy of the Company.
(d) To review and recommend potential risk involved in any new business plans and processes.
(e) Any other similar or other functions as may be laid down by the Board from time to time and/ or as may be required under applicable law.

Management Organisation Chart



Key Managerial Personnel

In addition to Ashish Jakhanwala, our Managing Director and Chief Executive Officer, whose details are provided in "***– Brief Profiles of our Directors***" on page 164, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Rajat Mehra, aged 45 years, is our Chief Financial Officer. He is an associate of the Institute of Chartered Accountants of India. He holds a bachelor's degree in commerce (honours) from the Sri Guru Teg Bahadur Khalsa College, University of Delhi and a diploma in management from the Indira Gandhi National Open University, New Delhi. He joined our Company on December 11, 2012. Previously, he was associated with Religare Corporate Services Limited as an executive vice president–finance change management. In Fiscal 2019, he received aggregate compensation of ₹ 13.55 million (which included an annual variable pay of ₹ 0.78 million for Fiscal 2018, payable in Fiscal 2019). Further, for Fiscal 2019, ₹ 4.00 million was accrued as annual variable pay, which was paid in Fiscal 2020.

Sanjay Jain, aged 49 years, is our Senior Director – Corporate Affairs, Company Secretary and Compliance Officer. He is a member of the Institute of Company Secretaries of India and a member of the Institute of Cost and Works Accountants of India. He holds a bachelor's degree in commerce (honours) from the University of Delhi. He joined our Company on July 1, 2011. Previously, he was associated with Consortium Finance Limited, DLF Universal Limited, AAPC India Hotel Management Private Limited, Beekman Helix India Consulting Private Limited. In Fiscal 2019, he received aggregate compensation of ₹ 5.70 million (which included an annual variable pay of ₹ 0.34 million for Fiscal 2018, payable in Fiscal 2019). Further, for Fiscal 2019, ₹ 1.70 million was accrued as annual variable pay, which was paid in Fiscal 2020.

Vinay Gupta, aged 46 years, is our Vice President – Asset Management. He holds a bachelor's degree in hospitality management from the University of Lancaster, England and a master's degree in business administration from the the University of Central Lancashire, England. He joined our Company on December 5, 2012. Previously, he was associated with Accor, Hilton and Mirvac Group branded hotels as a general manager. In Fiscal 2019, he received aggregate compensation of ₹ 15.07 million (which included an annual variable pay of ₹ 0.87 million for Fiscal 2018, payable in Fiscal 2019). Further, for Fiscal 2019, ₹ 4.40 million was accrued as annual variable pay, which was paid in Fiscal 2020.

Gaurav Sharma, aged 36 years, is our Vice President – Investments. He is qualified as a chartered financial analyst by CFA Institute, Virginia. He holds a bachelor's degree in commerce (honours) from the University of Delhi and a master's degree in finance and control from the University of Delhi. He joined our Company on February 16, 2012. Previously, he was associated with Jones Lang LaSalle Property Consultants India Private Limited. In Fiscal 2019, he received aggregate compensation of ₹ 11.08 million (which included an annual variable pay of ₹ 0.64 million for Fiscal 2018, payable in Fiscal 2019). Further, for Fiscal 2019, ₹ 3.28 million was accrued as annual variable pay, which was paid in Fiscal 2020.

Gyana Das, aged 39 years, is our Vice President – Corporate Strategy. He holds a bachelor's degree in architecture from Visvesvaraya National Institute of Technology, Nagpur and a master's degree in city planning from the Indian Institute of Technology, Kharagpur. He joined our Company on February 8, 2011. Previously, he was associated with InterGlobe Hotels Private Limited. In Fiscal 2019, he received aggregate compensation of ₹ 11.90 million (which included an annual variable pay of ₹ 0.72 million for Fiscal 2018, payable in Fiscal 2019). Further, for Fiscal 2019, ₹ 3.67 million was accrued as annual variable pay, which was paid in Fiscal 2020.

Tanya Chakravarty, aged 35 years, is our General Counsel. She holds a bachelor's degree in law from Army Institute of Law, Mohali. She joined our Company on May 2, 2017. Previously, she was associated with Phoenix Legal, Vaish Associates Advocates and Unitech Limited. In Fiscal 2019, she received aggregate compensation of ₹ 4.16 million (which included an annual variable pay of ₹ 0.18 million for Fiscal 2018, payable in Fiscal 2019). Further, for Fiscal 2019, ₹ 1.27 million was accrued as annual variable pay, which was paid in Fiscal 2020.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel

None of our Key Managerial Personnel are related to each another.

Bonus or profit sharing plan for the Key Managerial Personnel

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes annual variable payments to the Key Managerial Personnel, as part of the variable pay component of their remuneration, in accordance with their terms of appointment.

Shareholding of Key Managerial Personnel

Other than as provided under "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel***", none of our Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel are governed by the terms of their appointment letters/employment contracts and have not entered into any other service contracts with our Company. Except our Managing Director and Chief Executive Officer, Ashish Jakhanwala, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits. For details in relation to Ashish Jakhanwala's benefits on termination of employment, see "***– Service contracts with Directors***" on page 166.

Interest of Key Managerial Personnel

Other than to the extent of the remuneration, benefits, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel may be interested to the extent of employee stock options that have been or may be granted to them from time to time under the ESOP Schemes. For details of our Company's ESOP Schemes, see "***Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes***" on page 85. Additionally, our Key Managerial Personnel, Rajat Mehra and Gaurav Sharma are on the board of directors of certain of our Subsidiaries.

Except for the loan extended to Ashish Jakhanwala, Managing Director and Chief Executive Officer, details of which are provided in " ***– Interest of Directors***" on page 166, no loans have been availed by our Key Managerial Personnel from our Company as on the date of this Draft Red Herring Prospectus.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

Changes in Key Managerial Personnel during the last three years

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Date	Reason
Tanya Chakravarty	May 2, 2017	Appointed as lead-legal counsel
Sanjay Jain	January 1, 2018	Redesignated as senior director – corporate affairs
Tanya Chakravarty	April 1, 2019	Redesignated as General Counsel
Rajat Mehra	August 22, 2019	Redesignated and appointed as Chief Financial Officer

Employee stock option and stock purchase schemes

For details of the ESOP Schemes implemented by our Company, see "***Capital Structure – Notes to Capital Structure – Employee Stock Option Schemes***" on page 85.

Payment or Benefit to Key Managerial Personnel of our Company

Except for the loan extended to Ashish Jakhanwala, Managing Director and Chief Executive Officer, details of which are provided in " ***– Interest of Directors***" on page 166, no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PRINCIPAL SHAREHOLDERS

Our Company is a professionally managed company and does not have an identifiable promoter in terms of SEBI ICDR Regulations and the Companies Act 2013. Consequently, there are no members forming part of the 'promoter group' in terms of the SEBI ICDR Regulations.

Principal Shareholders

1. *Shareholders who control 15% or more of the voting rights in our Company*

   Except for Blue Chandra, GSA and GTI, that hold 49.35%, 28.88% and 18.02% of the paid up equity share capital of our Company, respectively, as on the date of this Draft Red Herring Prospectus, no shareholder controls 15% or more of the voting rights in our Company. For further details, see "***Capital Structure – Notes to Capital Structure – Details of shareholding of the major Shareholders of our Company***" and "***History and Certain Corporate Matters – Shareholders' agreements***" on pages 84 and 155, respectively.

2. *Persons who have the right to appoint director(s) on our Board*

   Pursuant to the terms of the SHA, read with the Waiver Letter, each of (i) Blue Chandra, (ii) GSA, (iii) GTI, and (iv) Ashish Jakhanwala and Manav Thadani collectively, have the right to appoint one non-executive, non-independent director on the Board, at their discretion. In terms of the SHA, read with the Waiver Letter, GSA has agreed to not exercise its right to appoint an executive, non-independent director on the Board. Further, each of GTI, Blue Chandra and GSA have the right to appoint one non-voting observer on (i) the Board, and (ii) each committee of the Board, and such non-voting observers have the right to attend all meetings of the Board and the relevant committees, respectively, and are entitled to receive all notices and correspondences issued to the members of the Board or the relevant committee of the Board, as the case may be. These rights will stand automatically terminated, with the termination of the SHA, upon commencement of listing and trading of our Company's Equity Shares on the Stock Exchanges.

   Further, in terms of Part A of our Articles of Association, which will become effective upon commencement of listing and trading of our Company's Equity Shares on the Stock Exchanges, any Shareholder who individually holds at least 15% of our Company's fully diluted paid-up share capital will be entitled to nominate one non-executive, non-independent Director on the Board, subject to approval of the shareholders of our Company, as required under the Companies Act 2013. For further details, see "***History and Certain Corporate Matters – Shareholders' agreements***", "***Our Management***" and "***Main Provisions of the Articles of Association***" on pages 155, 161 and 340, respectively.

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of group companies, our Company has considered the companies (other than Subsidiaries) with which there are related party transactions as disclosed in the Restated Financial Statements and other companies considered material by our Board pursuant to the Materiality Policy. In accordance with our Materiality Policy, for the purposes of disclosure in the Offer Documents, a company shall be considered material and disclosed as a Group Company if (i) the shareholding of such company in our Company is more than 10% of our Company's share capital and the monetary value of our Company's transactions with such company in the most recent financial year and/or relevant stub period exceeds 10% of the total revenue of our Company as per the Restated Financial Statements of our Company for such financial year and/ or relevant stub period, respectively; or (ii) such company would require disclosure in the consolidated financial statements of the Company subsequent to the latest period for which restated financial statements are included in the Offer Documents, as entities covered under Ind AS 24 (other than those companies which are already covered under Ind AS 24).

Additionally, since Blue Chandra is merely a financial investor in our Company and the transactions with it, reported under the Restated Financial Statements, are only in respect of reimbursement of travelling expenses relating to its nominee director, Blue Chandra shall not be considered as a Group Company for the purposes of disclosure in the Offer Documents.

As on the date of this Draft Red Herring Prospectus, we have two Group Companies, the details of which are set forth below.

1. HICSA Event Management Private Limited ("HICSA")

HICSA was incorporated under the Companies Act, 1956 on July 25, 2008. The corporate identity number of HICSA is U74140HR2008PTC066363. HICSA is currently engaged in the business of hosting conferences dedicated to the hospitality sector.

Audited Financial Information

(Figures in ₹)

Particulars	As on March 31, 2019	As on March 31, 2018	As on March 31, 2017
Equity share capital	100,000	100,000	100,000
Reserves and surplus (excluding revaluation reserve)	6,959,630	7,297,399	25,799,422
Sales/turnover	Nil	7,865,052	45,233,508
Profit/(loss) after tax	(337,769)	(18,502,093)	284,049
Earnings/(loss) per share of face value ₹ 10 each (Basic)	(33.78)	(1,850.21)	28.40
Earnings/(loss) per share of face value ₹ 10 each (Diluted)	(33.78)	(1,850.21)	28.40
Net asset value (per share)	705.96	739.74	2,589.95

Significant notes of auditors

There are no significant notes by the auditors in relation to the aforementioned financial statements.

2. School of Hospitality India Private Limited ("School of Hospitality")

School of Hospitality was incorporated under Companies Act 2013 on June 10, 2016. The corporate identity number of School of Hospitality is U55207HR2016PTC064499. School of Hospitality is currently engaged in the business of running educational institutions related to the tourism and hospitality industry.

Audited Financial Information

(Figures in ₹)

Particulars	As on March 31, 2018	As on March 31, 2017
Equity share capital	2,463,950	1,100,000
Reserves and surplus (excluding revaluation reserve)	255,736,775	(2,418,246)

Particulars	As on March 31, 2018	As on March 31, 2017
Sales/turnover	2,859,458	-
Profit/(loss) after tax	(39,458,869)	(2,418,416)
Earnings/(loss) per share of face value of ₹ 10 each (Basic)	(258.40)	(21.98)
Earnings/(loss) per share of face value of ₹ 10 each (Diluted)	(258.40)	(21.98)
Net asset value (per share)	1,060.09	(11.98)

Significant notes of auditors

There are no significant notes by the auditors in relation to the aforementioned financial statements.

Sick Industrial Company, Winding up/Insolvency proceedings

Our Group Companies have not been declared sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, have not been referred to the Board of Industrial and Financial Reconstruction or the National Company Law Tribunal, and are not under the corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016.

Loss making Group Companies

Both our Group Companies have incurred losses in the previous audited financial years. For details, see "***– HICSA Event Management Private Limited ("HICSA") – Audited Financial Information***" and "***– School of Hospitality India Private Limited ("School of Hospitality") – Audited Financial Information***" on page 178 above.

Defunct Group Companies

During the five years immediately preceding the date of this Draft Red Herring Prospectus, none of our Group Companies has remained defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies.

Common pursuits

There are no common pursuits between our Group Companies and our Company. All our Subsidiaries are either engaged in or are authorised by their respective constitutional documents to engage in the same line of business as that of our Company. We will adopt the necessary procedures and practices as permitted by law to address any conflict situation, if and when they arise.

Business interests or other interests

Except as disclosed in "***Financial Statements – Annexure VI – Notes to Restated Consolidated Financial Information – Note 41 – Related party disclosures***" on page 229, our Group Companies and our Subsidiaries do not have any business interest in our Company.

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 dividend on our Equity Shares, if any, will be recommended by our Board and approved by our shareholders, at their discretion, in accordance with the provisions of our Articles of Association and applicable law, including the Companies Act 2013, together will the applicable rules issued thereunder, and will depend on a number of factors, including but not limited to profits, capital requirements, contractual obligations, restrictive covenants in financing arrangements and the overall financial condition of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among other, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

Our Company has not declared any dividends in the last three Fiscals and the period from April 1, 2019 until the date of this Draft Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
SAMHI Hotels Limited (*formerly known as SAMHI Hotels Private Limited*)
14th Floor, Building No. 10C
DLF Cyber City, Phase II,
Gurugram - 122002, Haryana, India

Dear Sirs

1) We have examined, the attached Restated Consolidated Financial Information of SAMHI Hotels Limited (*formerly known as SAMHI Hotels Private Limited*) (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Restated Consolidated Balance Sheet as at 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2019, 31 March 2018, 31 March 2017, for the period beginning 1 April 2019 to 30 June 2019 and for the period beginning 1 April 2018 to 30 June 2018, and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 21 September 2019 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"); and

   (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2) The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1.2 of Annexure V to the Restated Consolidated Financial Information.

   The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

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 letters dated 12 August 2019 and 18 March 2019, in connection with the proposed IPO of equity shares of the Company;

   (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

(c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

(d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4) These Restated Consolidated Financial Information have been compiled by the management from:

(a) Audited special purpose interim consolidated financial statements of the Group as at and for the three month period ended 30 June 2019 and 30 June 2018 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 21 September 2019; and

(b) the audited consolidated financial statements of the Group as at and for the year ended 31 March 2019, 31 March 2018 and 31 March 2017 prepared in accordance with Ind AS as prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the "consolidated financial statements"), which have been approved by the Board of Directors at their Board meetings held on 2 September 2019, 19 September 2018 and 20 September 2017 respectively. The corresponding financial information for the year ended 31 March 2018 and the Balance Sheet as at 1 April 2017 has been restated in accordance with Ind AS in the consolidated financial statements for the year ended 31 March 2019 and the same has been considered while compiling these Restated Consolidated Financial Information.

5) For the purpose of our examination, we have relied on:

(a) Auditors' reports issued by us dated 21 September 2019, 2 September 2019 and 19 September 2018 on the consolidated financial statements of the Group as at and for the three months period ended 30 June 2019 and 30 June 2018 and as at and for the years ended 31 March 2019 and 31 March 2018 as referred in Paragraph 4 above; and

(b) Examination report and Auditors' Report issued by the Previous Auditor dated 21 September 2019 and 20 September 2017, respectively, on the Restated Consolidated Financial Information and the consolidated financial statements, respectively, of the Group as at and for the year ended 31 March 2017, as referred in Paragraph 4b above.

The audit for the financial year ended 31 March 2017 was conducted by the Company's previous auditor, B S R & Associates LLP, (the "Previous Auditor"), and accordingly reliance has been placed on the restated consolidated Balance Sheet and 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 flow, the statement of significant accounting policies, and other explanatory information and (the "2017 Restated Consolidated Financial Information") examined by them for the said year. The examination report included for the said year is based solely on the report submitted by the Previous Auditor. They have also confirmed that the 2017 Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended 30 June 2019;

(b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and

(c) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

6) As indicated in our audit reports referred above, we did not audit the financial statements of a subsidiary (Paulmech Hospitality Private Limited) included in the Group for the year ended 31 March 2018 whose share of total assets, total revenues, net cash inflows / (outflows) included in the consolidated financial statements, for the relevant year is tabulated below, which have been audited by other auditor, Abhijit Dutt & Associates and whose report 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 the component, is based solely on the report of the other auditor:

(₹ in million)

Particulars	**As at/ for the year ended 31 March 2018**
Total assets	209.01
Total revenue	Nil
Net cash inflows/ (outflows)	0.19

Our opinion on the consolidated financial statements is not modified in respect of these matters.

7) Based on examination report dated 21 September 2019 provided by the Previous Auditor, the audit report on the consolidated financial statements issued by the Previous Auditor included following other matters:

(a) We did not audit the financial statements of subsidiary (Paulmech Hospitality Private Limited) whose share of total assets, total revenues, net cash inflows / (outflows) included in the consolidated financial statements, for the relevant year is tabulated below, which have been audited by other auditor, M. Sen & Co. and whose report 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 this component, is based solely on the report of the other auditor:

(₹ in million)

Particulars	**As at/ for the year ended 31 March 2017**
Total assets	169.39
Total revenue	Nil
Net cash inflows/ (outflows)	(4.47)

Our opinion on the consolidated financial statements is not modified in respect of these matters.

8) Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditor for the years ended 31 March 2017, we report that the Restated Consolidated Financial Information:

i. have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended 31 March 2019, 31 March 2018, 31 March 2017, and for the period beginning 1 April 2018 to 30 June 2018 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the three months period ended 30 June 2019;

ii. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and

iii. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim Consolidated Financial Statements and audited consolidated financial statements mentioned in paragraph 5 above.

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 or the Previous Auditor, 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 DRHP to be filed with Securities and Exchange Board of India in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Vikram Advani
Partner
Membership No: 091765

ICAI UDIN: 19091765AAAACC3130

Gurugram

Date: 21 September 2019

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Annexure I - Restated Consolidated Balance Sheet
(All amounts in Rupees millions, unless otherwise stated)

	Note	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
ASSETS						
Non-current assets						
Property, plant and equipment	1	24,692.80	24,195.76	24,985.93	23,739.46	21,123.22
Capital work-in-progress	1	196.25	776.28	182.31	1,684.33	1,461.94
Goodwill	2	272.86	272.86	272.86	272.86	272.86
Other intangible assets	2	114.04	96.42	120.87	84.53	67.27
Financial assets						
Loans	3	152.33	140.12	148.65	131.19	112.21
Others	4	552.54	608.57	482.15	429.34	147.27
Income tax assets (net)	5	175.47	146.05	188.78	149.40	99.13
Other non-current assets	7	232.31	313.42	256.18	261.47	246.38
Total non-current assets		**26,388.60**	**26,549.48**	**26,637.73**	**26,752.58**	**23,530.28**
Current assets						
Inventories	8	45.72	39.36	47.78	38.08	35.50
Financial assets						
Investments	9	-	294.31	276.64	281.60	699.63
Trade receivables	10	350.81	239.35	313.28	271.16	137.91
Cash and cash equivalents	11	650.16	519.42	445.94	630.72	398.61
Other bank balances	12	57.57	333.92	42.18	838.44	468.88
Loans	13	9.81	10.77	9.85	10.98	6.35
Others	14	188.61	103.12	157.80	91.24	54.28
Other current assets	15a	506.16	510.31	511.35	446.28	380.51
Assets held for sale	15b	70.00	-	70.00	-	-
Total current assets		**1,878.84**	**2,050.56**	**1,874.82**	**2,608.50**	**2,181.67**
TOTAL ASSETS		**28,267.44**	**28,600.04**	**28,512.55**	**29,361.08**	**25,711.95**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	16	74.90	74.90	74.90	74.90	74.90
Other equity	17	4,716.47	7,468.25	5,301.40	8,712.99	9,777.41
Equity attributable to the owners of the Company		**4,791.37**	**7,543.15**	**5,376.30**	**8,787.89**	**9,852.31**
Non-controlling interest	52	-	384.56	-	388.24	1,203.35
Total equity		**4,791.37**	**7,927.71**	**5,376.30**	**9,176.13**	**11,055.66**
Non-current Liabilities						
Financial liabilities						
Borrowings	18	20,711.84	17,432.12	19,923.90	16,319.29	12,446.11
Others	19	581.93	533.08	591.14	540.06	242.35
Provisions	20	62.04	57.25	60.25	54.19	39.02
Deferred tax liabilities (net)	6	51.89	91.63	63.19	77.37	252.27
Other non-current liabilities	21	364.38	263.16	367.86	268.50	259.71
Total non-current liabilities		**21,772.08**	**18,377.24**	**21,006.34**	**17,259.41**	**13,239.46**
Current liabilities						
Financial liabilities						
Borrowings	22	331.98	866.23	557.21	1,354.84	488.09
Trade payables						
- total outstanding dues of micro enterprises and small		-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	573.10	416.24	546.94	487.12	311.63
Others	24	411.31	721.96	640.31	815.33	452.36
Other current liabilities	25	362.33	285.27	364.45	265.84	163.09
Provisions	26	5.20	5.39	5.44	2.41	1.66
Income tax liability (net)	27	20.07	-	15.56	-	-
Total current liabilities		**1,703.99**	**2,295.09**	**2,129.91**	**2,925.54**	**1,416.83**
TOTAL EQUITY AND LIABILITIES		**28,267.44**	**28,600.04**	**28,512.55**	**29,361.08**	**25,711.95**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

As per our examination report of even date attached

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

For and on behalf of Board of Directors of
SAMHI Hotels Limited

Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date:

Ashish Jakhanwala
Managing Director and CEO
DIN: 03304345

Place: Gurugram
Date:

Manav Thadani
Director
DIN: 00534993

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs & Company Secretary
Membership No.: F6137

Place: Gurugram
Date:

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amounts in Rupees millions, unless otherwise stated)

	Note	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Income						
Revenue from operations	28	1,430.23	916.49	4,707.69	3,923.89	3,232.31
Other income	29	42.20	55.17	193.29	277.74	339.39
Total income		**1,472.43**	**971.66**	**4,900.98**	**4,201.63**	**3,571.70**
Expenses						
Cost of materials consumed	30	127.91	87.69	426.89	365.71	308.04
Purchases of stock-in-trade	31	-	-	-	-	0.55
Changes in inventories of stock-in-trade	32	-	0.39	0.39	0.13	(0.52)
Employee benefits expense	33	335.03	266.36	1,167.46	914.68	849.51
Other expenses	36	661.81	501.90	2,223.38	2,102.14	1,633.13
		1,124.75	**856.34**	**3,818.12**	**3,382.66**	**2,790.71**
Earnings before finance cost, depreciation, amortisation, tax and exceptional items		**347.68**	**115.32**	**1,082.86**	**818.97**	**780.99**
Finance costs	34	624.79	557.29	2,256.09	1,704.65	1,216.14
Depreciation and amortisation expense	35	316.11	299.35	1,222.77	1,144.93	1,029.27
		940.90	**856.64**	**3,478.86**	**2,849.58**	**2,245.41**
Loss before tax and exceptional items		**(593.22)**	**(741.32)**	**(2,396.00)**	**(2,030.61)**	**(1,464.42)**
Exceptional items	37	-	495.73	633.88	-	-
Loss before tax		**(593.22)**	**(1,237.05)**	**(3,029.88)**	**(2,030.61)**	**(1,464.42)**
Tax expense/(income)	6					
Current tax		4.50	-	15.56	-	-
Tax for prior years/period		-	2.88	2.88	-	-
Deferred tax		(11.30)	14.26	(14.18)	(175.05)	(262.23)
		(6.80)	**17.14**	**4.26**	**(175.05)**	**(262.23)**
Loss for the year/period		**(586.42)**	**(1,254.19)**	**(3,034.14)**	**(1,855.56)**	**(1,202.19)**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
- Re-measurement gain/(loss) on defined benefit obligations	33	1.07	1.74	5.55	2.61	(0.42)
- Income tax relating to items mentioned above		-	-	-	(0.15)	(0.12)
Items that will be reclassified to profit or loss						
- Effective portion of gains /(losses) on hedging instruments in cash flow hedges		-	2.76	5.76	36.56	(0.02)
- Income tax relating to items mentioned above		-	-	-	-	(9.95)
Other comprehensive income/(loss), net of tax		**1.07**	**4.50**	**11.31**	**39.02**	**(10.51)**
Total comprehensive income/(loss) for the year/period		**(585.35)**	**(1,249.69)**	**(3,022.83)**	**(1,816.54)**	**(1,212.70)**
Loss attributable to:						
Owners of the Group		(586.42)	(1,250.46)	(3,034.14)	(1,851.71)	(1,062.91)
Non-controlling interest	52	-	(3.73)	-	(3.85)	(139.28)
Loss for the year/period		**(586.42)**	**(1,254.19)**	**(3,034.14)**	**(1,855.56)**	**(1,202.19)**
Other comprehensive income attributable to:						
Owners of the Group		1.07	4.45	11.31	38.85	(10.51)
Non-controlling interest	52	-	0.05	-	0.17	-
Other comprehensive income/(loss) for the year/period		**1.07**	**4.50**	**11.31**	**39.02**	**(10.51)**
Total comprehensive income attributable to:						
Owners of the Group		(585.35)	(1,246.01)	(3,022.83)	(1,812.86)	(1,073.42)
Non-controlling interest	52	-	(3.68)	-	(3.68)	(139.28)
Total comprehensive income/(loss) for the year/period		**(585.35)**	**(1,249.69)**	**(3,022.83)**	**(1,816.54)**	**(1,212.70)**
Earnings per equity share	38					
Basic (INR)		(7.83)	(16.75)	(40.51)	(24.77)	(16.05)
Diluted (INR)		(7.83)	(16.75)	(40.51)	(24.77)	(16.05)

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

As per our examination report of even date attached.

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

For and on behalf of Board of Directors of
SAMHI Hotels Limited

Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date:

Ashish Jakhanwala
Managing Director and CEO
DIN: 03304345

Place: Gurugram
Date:

Manav Thadani
Director
DIN: 00534993

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs & Company Secretary
Membership No.: F6137

Place: Gurugram
Date:

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Annexure III - Restated Consolidated Statement of Changes in Equity
(All amounts in Rupees millions, unless otherwise stated)

a. Equity share capital

Particulars	Number	Amount
As at 1 April 2016	7,489,669	74.90
Changes in equity share capital during the year	-	-
As at 31 March 2017	**7,489,669**	**74.90**
As at 1 April 2017	7,489,669	74.90
Changes in equity share capital during the year	-	-
As at 31 March 2018	**7,489,669**	**74.90**
As at 1 April 2018	7,489,669	74.90
Changes in equity share capital during the year	-	-
As at 31 March 2019	**7,489,669**	**74.90**
As at 1 April 2018	7,489,669	74.90
Changes in equity share capital during the period	-	-
As at 30 June 2018	**7,489,669**	**74.90**
As at 1 April 2019	7,489,669	74.90
Changes in equity share capital during the period	-	-
As at 30 June 2019	**7,489,669**	**74.90**

b. Other equity (refer note 17)

Particulars	Reserves and surplus				Other comprehensive income		Non-controlling interest (NCI)	Total
	Capital reserve	Securities premium	Share options outstanding account	Retained earnings	Remeasurement of defined benefit liability/asset	Cash flow hedge reserve		
Balance as at 1 April 2016	**366.63**	**10,721.36**	**-**	**(263.04)**	**-**	**(32.35)**	**1,132.55**	**11,925.15**
Profit/(loss) for the year	-	-	-	(1,062.91)	-	-	(139.28)	**(1,202.19)**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	(0.54)	(9.97)	-	**(10.51)**
Total comprehensive income	**-**	**-**	**-**	**(1,062.91)**	**(0.54)**	**(9.97)**	**(139.28)**	**(1,212.70)**
Transferred to retained earnings	-	-	-	(0.54)	0.54	-	-	-
Share based payments	-	-	58.23	-	-	-	-	**58.23**
Conversion of fully compulsorily convertible debentures in to equity shares	-	-	-	-	-	-	210.08	**210.08**
Balance as at 31 March 2017	**366.63**	**10,721.36**	**58.23**	**(1,326.49)**	**-**	**(42.32)**	**1,203.35**	**10,980.76**
Balance as at 1 April 2017	**366.63**	**10,721.36**	**58.23**	**(1,326.49)**	**-**	**(42.32)**	**1,203.35**	**10,980.76**
Profit/(loss) for the year	-	-	-	(1,851.71)	-	-	(3.85)	**(1,855.56)**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	2.29	36.56	0.17	**39.02**
Total comprehensive income	**-**	**-**	**-**	**(1,851.71)**	**2.29**	**36.56**	**(3.68)**	**(1,816.54)**
Transferred to retained earnings	-	-	-	2.29	(2.29)	-	-	-
Acquisition of NCI (refer note 52)	-	-	-	-	-	-	(811.43)	**(811.43)**
Acquisition of NCI (refer note 52)	-	-	-	267.29	-		-	**267.29**
Acquisition of NCI (refer note 48)	-	-	-	195.04	-	-	-	**195.04**
Business combination (Refer note 48)	271.23	-	-	-	-	-	-	**271.23**
Share based payments	-	-	14.88	-	-	-	-	**14.88**
Balance as at 31 March 2018	**637.86**	**10,721.36**	**73.11**	**(2,713.58)**	**-**	**(5.76)**	**388.24**	**9,101.23**
Balance as at 1 April 2018	**637.86**	**10,721.36**	**73.11**	**(2,713.58)**	**-**	**(5.76)**	**388.24**	**9,101.23**
Profit/(loss) for the year	-	-	-	(3,034.14)	-	-	-	**(3,034.14)**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	5.55	5.76	-	**11.31**
Total comprehensive income	**-**	**-**	**-**	**(3,034.14)**	**5.55**	**5.76**	**-**	**(3,022.83)**
Transferred to retained earnings	-	-	-	5.55	(5.55)	-	-	-
Acquisition of NCI (refer note 52)	-	-	-	(392.79)	-	-	(388.24)	**(781.03)**
Share based payments	-	-	4.03	-	-	-	-	**4.03**
Balance as at 31 March 2019	**637.86**	**10,721.36**	**77.14**	**(6,134.96)**	**-**	**-**	**-**	**5,301.40**
Balance as at 1 April 2018	**637.86**	**10,721.36**	**73.11**	**(2,713.58)**	**-**	**(5.76)**	**388.24**	**9,101.23**
Profit/(loss) for the period	-	-	-	(1,250.46)	-	-	(3.73)	**(1,254.19)**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	1.69	2.76	0.05	**4.50**
Total comprehensive income	**-**	**-**	**-**	**(1,250.46)**	**1.69**	**2.76**	**(3.68)**	**(1,249.69)**
Transferred to retained earnings	-	-	-	1.69	(1.69)	-	-	-
Share based payments	-	-	1.27	-	-	-	-	**1.27**
Balance as at 30 June 2018	**637.86**	**10,721.36**	**74.38**	**(3,962.35)**	**-**	**(3.00)**	**384.56**	**7,852.81**
Balance as at 1 April 2019	**637.86**	**10,721.36**	**77.14**	**(6,134.96)**	**-**	**-**	**-**	**5,301.40**
Profit/(loss) for the period	-	-	-	(586.42)	-	-	-	**(586.42)**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	1.07	-	-	**1.07**
Total comprehensive income	**-**	**-**	**-**	**(586.42)**	**1.07**	**-**	**-**	**(585.35)**
Transferred to retained earnings	-	-	-	1.07	(1.07)	-	-	-
Share based payments	-	-	0.42	-	-	-	-	**0.42**
Balance as at 30 June 2019	**637.86**	**10,721.36**	**77.56**	**(6,720.31)**	**-**	**-**	**-**	**4,716.47**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII.

As per our examination report of even date attached.

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

For and on behalf of Board of Directors of
SAMHI Hotels Limited

Vikram Advani
Partner
Membership No.: 091765
Place: Gurugram
Date:

Ashish Jakhanwala
Managing Director and CEO
DIN: 03304345
Place: Gurugram
Date:

Manav Thadani
Director
DIN: 00534993
Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer
Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs & Company Secretary
Membership No.: F6137
Place: Gurugram
Date:

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts in Rupees millions, unless otherwise stated)

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from operating activities					
Loss before tax	**(593.22)**	**(1,237.05)**	**(3,029.88)**	**(2,030.61)**	**(1,464.42)**
Adjustments for:					
Depreciation and amortisation	316.11	675.26	1,598.68	1,144.93	1,029.27
Unrealised foreign exchange difference	-	35.21	-	(4.27)	-
Foreign exchange loss on repayment of borrowings	-	-	39.92	-	-
Loss on impairment of assets	-	-	-	181.15	-
Finance costs	624.79	557.29	2,256.09	1,704.65	1,216.14
Interest income	(9.47)	(16.80)	(37.59)	(82.55)	(46.36)
Allowance for doubtful trade receivables	4.25	4.37	6.28	2.50	0.72
Share based payments	0.42	1.27	4.03	14.88	58.23
Bad debts written off	0.11	-	3.98	1.65	0.07
Intangible assets written off	-	5.47	5.47	-	-
Loss on sale of property, plant and equipment	-	119.82	119.82	-	-
Loss/(Gain) on disposal of property, plant and equipment (net)	0.02	2.28	1.57	(12.91)	-
Profit on redemption of mutual funds (net)	(2.43)	(3.25)	(16.98)	(35.89)	(87.23)
Gain on fair valuation of investment of mutual funds	-	(4.62)	(8.72)	(8.17)	(6.34)
Loss/(Gain) on fair valuation of derivative component of FCCDs	(0.11)	(0.11)	(0.43)	1.04	(3.40)
Loss on reclassification of asset held for sale	-	-	138.15	-	-
Income from government grants	(24.37)	(14.09)	(78.02)	(62.27)	(164.07)
Unwinding of discount on security deposits	(1.44)	(1.43)	(6.15)	(4.99)	(4.99)
Lease payments	(26.51)	(23.69)	(102.12)	(63.58)	(33.13)
Provisions/liabilities no longer required written back	(0.02)	(9.38)	(11.93)	(13.30)	(13.67)
	288.13	**90.55**	**882.17**	**732.26**	**480.82**
(Increase)/ decrease in trade receivables	(41.89)	27.44	(52.39)	(134.66)	45.25
(Increase)/ decrease in inventories	2.07	(1.27)	(9.69)	0.75	(4.24)
(Increase)/ decrease in loans	(2.20)	(7.30)	(10.19)	(11.29)	(14.84)
(Increase)/ decrease in other financial assets	(9.03)	(0.52)	(52.29)	27.41	(13.68)
(Increase)/ decrease in other assets	10.70	(115.97)	(58.31)	(26.44)	(54.44)
Increase/ (decrease) in provisions	2.59	4.87	11.66	13.00	12.75
Increase/ (decrease) in other financial liabilities	(31.36)	4.96	72.60	(17.49)	(11.78)
Increase/ (decrease) in other liabilities	(0.06)	(5.11)	188.55	100.84	73.29
Increase/ (decrease) in trade payables	26.69	(61.44)	71.77	112.44	7.10
Cash generated from operations	**245.64**	**(63.79)**	**1,043.88**	**796.82**	**520.23**
Income taxes paid (net)	16.26	5.00	(37.74)	(37.87)	(4.68)
Net cash provided/ (used) by operating activities (A)	**261.90**	**(58.79)**	**1,006.14**	**758.95**	**515.55**
B. Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	(190.10)	(367.11)	(1,600.06)	(1,203.97)	(976.96)
Proceeds from sale of property, plant and equipment	(0.02)	8.86	12.00	140.70	-
Bank deposits matured	442.61	1,032.30	2,728.99	1,936.76	1,512.74
Bank deposits made	(535.99)	(717.30)	(1,959.90)	(2,570.84)	(1,495.14)
Interest received	18.66	32.96	70.64	74.89	59.46
Purchase consideration paid on acquisition of subsidiary (net of cash acquired) (Refer note 48)	-	-	-	(1,976.98)	-
Purchase of current investments	(577.26)	(505.42)	(3,465.78)	(5,368.44)	(2,846.50)
Proceeds from sale of current investments	856.33	500.52	3,496.42	5,830.53	3,965.18
Acquisition of NCI (Refer note 52)	-	-	(781.03)	(748.80)	-
Net cash provided/ (used) by investing activities (B)	**14.23**	**(15.19)**	**(1,498.72)**	**(3,886.15)**	**218.78**
C. Cash flows from financing activities					
Proceeds from long term borrowings	1,855.95	2,622.85	10,544.01	7,287.08	753.53
Repayment of long term borrowings	(1,224.16)	(1,701.48)	(7,750.29)	(3,181.00)	(681.82)
Proceeds from short term borrowings - net	(225.23)	(488.61)	(797.63)	866.74	212.11
Finance costs paid	(478.47)	(470.08)	(1,688.29)	(1,613.51)	(1,073.08)
Net cash provided/ (used) by financing activities (C)	**(71.91)**	**(37.32)**	**307.80**	**3,359.31**	**(789.26)**
Net increase in cash and cash equivalents (A + B + C)	**204.22**	**(111.30)**	**(184.78)**	**232.11**	**(54.93)**
Cash and cash equivalents at the beginning of the year/period	**445.94**	**630.72**	**630.72**	**398.61**	**453.54**
Cash and cash equivalents at the end of the year/period	**650.16**	**519.42**	**445.94**	**630.72**	**398.61**
i. Components of cash and cash equivalents:					
Cash in hand	4.87	3.26	5.15	3.13	3.00
- in current accounts	426.32	482.96	430.55	549.17	345.80
- on deposit accounts with original maturity upto 3 months	218.97	33.20	10.24	78.42	49.81
	650.16	**519.42**	**445.94**	**630.72**	**398.61**

(All amounts in Rupees millions, unless otherwise stated)

ii. Movement in financial liabilities

For the year ended 31 March 2017

	Non-current borrowings	Current borrowings	Total
As on 1 April 2016	**12,513.06**	**275.98**	**12,789.04**
Cash flows (net)	71.71	212.11	283.82
Finance cost expense	1,192.29	23.85	1,216.14
Finance cost paid	(1,049.23)	(23.85)	(1,073.08)
Interest income on loan funds	18.21	-	18.21
Other non cash transactions			
- Conversion of FCCDs issued by Barque	(182.09)	-	(182.09)
- Interest on lease	(26.71)	-	(26.71)
- Amortisation of premium on OCRDs	1.20	-	1.20
- Interest transferred to capital work-in-progress	124.15	-	124.15
- Unwinding of discount on asset retirement obligation	(0.07)	-	(0.07)
As on 31 March 2017	**12,662.52**	**488.09**	**13,150.61**

For the year ended 31 March 2018

	Non-current borrowings	Current borrowings	Total
As on 1 April 2017	**12,662.52**	**488.09**	**13,150.61**
Cash flows (net)	4,106.08	866.74	4,972.82
Finance cost expense	1,597.41	107.24	1,704.65
Finance cost paid	(1,506.28)	(107.23)	(1,613.51)
Acquisition of FCCDs issued by Barque (Refer note 18)	(204.42)	-	(204.42)
Interest income on loan funds	15.29	-	15.29
Other non cash transactions			
- Foreign exchange movement	(4.27)	-	(4.27)
- Interest on lease	(45.66)	-	(45.66)
- Amortisation of premium on OCRDs	1.48	-	1.48
- Interest transferred to capital work-in-progress	84.59	-	84.59
- Unwinding of discount on asset retirement obligation	(0.09)	-	(0.09)
As on 31 March 2018	**16,706.65**	**1,354.84**	**18,061.49**

For the year ended 31 March 2019

	Non-current borrowings	Current borrowings	Total
As on 1 April 2018	**16,706.65**	**1,354.84**	**18,061.49**
Cash flows (net)	2,793.72	(797.63)	1,996.09
Finance cost expense	2,186.49	69.60	2,256.09
Finance cost paid	(1,618.69)	(69.60)	(1,688.29)
Interest income on loan funds	14.44	-	14.44
Other non cash transactions			
- Foreign exchange movement	39.92	-	39.92
- Interest on lease	(59.77)	-	(59.77)
- Amortisation of premium on OCRDs	1.80	-	1.80
- Interest transferred to capital work-in-progress	82.51	-	82.51
- Unwinding of discount on asset retirement obligation	(0.10)	-	(0.10)
As on 31 March 2019	**20,146.97**	**557.21**	**20,704.18**

For the period 1 April 2018 to 30 June 2018

	Non-current borrowings	Current borrowings	Total
As on 1 April 2018	**16,706.65**	**1,354.84**	**18,061.49**
Cash flows (net)	921.37	(488.61)	432.76
Finance cost expense	531.33	25.96	557.29
Finance cost paid	(444.12)	(25.96)	(470.08)
Interest income on loan funds	7.41	-	7.41
Other non cash transactions			
- Foreign exchange movement	35.21	-	35.21
- Interest on lease	(14.44)	-	(14.44)
- Amortisation of premium on OCRDs	0.45	-	0.45
- Interest transferred to capital work-in-progress	13.96	-	13.96
- Unwinding of discount on asset retirement obligation	(0.02)	-	(0.02)
As on 30 June 2018	**17,757.80**	**866.23**	**18,624.03**

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts in Rupees millions, unless otherwise stated)

For the period 1 April 2019 to 30 June 2019

	Non-current borrowings	Current borrowings	Total
As on 1 April 2019	**20,146.97**	**557.21**	**20,704.18**
Cash flows (net)	631.79	(225.23)	406.56
Finance cost expense	610.06	14.73	624.79
Finance cost paid	(463.74)	(14.73)	(478.47)
Interest income on loan funds	6.94	-	6.94
Other non cash transactions			
- Interest on lease	(15.28)	-	(15.28)
- Amortisation of premium on OCRDs	0.45	-	0.45
- Unwinding of discount on asset retirement obligation	(0.03)	-	(0.03)
As on 30 June 2019	**20,917.16**	**331.98**	**21,249.14**

iii. The Restated Consolidated Summary Statement of Cash Flows has been prepared in accordance with the 'Indirect Method' as set out in the Ind AS 7 on "Statement of Cash Flows".

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

As per our examination report of even date attached.

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

Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date:

For and on behalf of Board of Directors of
SAMHI Hotels Limited

Ashish Jakhanwala
Managing Director and CEO
DIN: 03304345

Place: Gurugram
Date:

Manav Thadani
Director
DIN: 00534993

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs & Company Secretary
Membership No.: F6137

Place: Gurugram
Date:

1.1 Corporate information

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited) ('the Holding Company' or 'the Company') is a Company domiciled in India. The Company was incorporated in India on 28 December 2010 as per the provisions of Companies Act, 1956 and is limited by shares. The restated consolidated financial information comprise the Company and its subsidiaries (together referred to as "the Group").

SAMHI Group comprises following subsidiaries:

- SAMHI JV Business Hotels Private Limited ('SAMHI JV')
- SAMHI Hotels (Gurgaon) Private Limited ('SAMHI Gurgaon')
- Barque Hotels Private Limited ('Barque')
- SAMHI Hotels (Ahmedabad) Private Limited ('SAMHI Ahmedabad')
- CASPIA Hotels Private Limited ('CASPIA')
- Paulmech Hospitality Private Limited ('Paulmech')
- Ascent Hotels Private Limited ('Ascent')
- Xenon Hotels Private Limited ('Xenon') #
- Argon Hotels Private Limited [earlier known as 'Premier Inn India Private Limited'] ('Argon') #

Xenon Hotels Private Limited has merged into Argon Hotels Private Limited w.e.f 31 March 2018 basis merger scheme approved by National Company Law Tribunal, New Delhi on 2 July 2019.

The Group is a hotel development and investment Group with focus on operating internationally branded hotels across key cities in the Indian sub-continent.

1.2 Basis of preparation

A. Statement of Compliance

The Restated Consolidated Balance Sheet of the Group as at 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017 and 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 flows for the years/periods ended 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017, and Restated Other Consolidated Financial Information (together referred to as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013.

The Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of:

(i) Section 26 of Chapter III of the Act;

(ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018 in pursuance of the Securities and Exchange Board of India Act, 1992; and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

These Restated Consolidated Financial Information has been extracted by the Management from the Audited Consolidated Financial Statements for respective years/periods and

(a) there were no changes in accounting policies during the year/period of these financial statements, except for the new and amended Ind AS-116- 'Leases'- Refer Annexure VII and Annexure VI, Note 50;

(b) there were no material amounts which have been adjusted for in arriving at profit/loss of the respective periods; and

(c) there were no material adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Group as at and for the year 30 June 2019 and the requirements of the SEBI Regulations.

The group has given adjustments for lease accounting in accordance with Ind AS 116 which came into effect on 1 April 2019 using modified retrospective approach pursuant to which adjustments have been made with the opening retained earnings as at 1 April 2016, and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116, refer Schedule VII – "Statement of Adjustments to the Restated consolidated financial information".

B. **Functional and presentation currency**

The restated consolidated financial information is presented in Indian Rupees (INR), which is also the functional currency of each of the Company and its subsidiaries. All amounts have been rounded off to the nearest two decimal places in million, unless otherwise stated.

C. **Basis of Measurement**

The restated consolidated financial information have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value. (Refer note 46)

D. **Significant accounting judgments, estimates and assumptions.**

The preparation of restated consolidated financial information in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that may require material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the restated consolidated financial information:

i) Provisions and contingencies
The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', which involves key assumptions about the likelihood and magnitude of an outflow of resources.

ii) Critical accounting estimates and judgements:
Certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable, and for them the measurement of fair value is more judgemental. An instrument in its entirety is classified as valued using significant unobservable inputs if, in the opinion of management, a significant proportion of the instrument's inception profit or greater than 5% of the instrument's valuation is driven by unobservable inputs. 'Unobservable' in this context means that there is little or no current market data available from which to determine the price at which an arm's length transaction would be likely to occur.

iii) Useful lives, recoverable amounts and impairment of property, plant and equipment and intangible assets (including goodwill)
The estimated useful lives and recoverable amounts of property, plant and equipment are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, obsolescence, demand, competition, known technological advances. The Group reviews the useful lives and recoverable amounts of property, plant and equipment and intangible assets (Including goodwill) at the end of each reporting date.

iv) Employee benefit obligations
Employee benefit obligations (gratuity and compensated absences) are determined using actuarial valuations, which involves 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.

v) Fair value measurement of financial instruments
The fair values of financial instruments recorded in the restated consolidated balance sheet in respect of which quoted prices in active markets are not available are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Also, refer note 46 for further disclosures.

vi) Recognition of Deferred tax assets/ liabilities
Recognition of deferred tax assets/ liabilities involves making judgements and estimations about the availability of future taxable profit against which tax losses carried forward can be used. A deferred tax asset is recognised for unused tax losses, deductible temporary differences and MAT credit available, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

vii) Business combinations

Acquisition of assets along with related processes which qualify as a business combination is accounted for using the acquisition method involving fair valuation of consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed measured on a provisional basis, if any.

E. Current and non-current classification

The Group presents assets and liabilities in the Restated Consolidated Balance Sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

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

F. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

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

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

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

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

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in Note 46.

2. Summary of significant accounting policies

1) Basis of consolidation

Business Combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Restated Consolidated Financial Information from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2) Property, plant and equipment

Recognition and measurement

Property, plant and equipment including capital work in progress are measured at cost less accumulated depreciation and any accumulated impairment losses if any.

Cost comprises the purchase price, import duties and other non-refundable taxes or levies, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the profit or loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Depreciation
Depreciation on Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). Further, Right of Use (Land), Right of Use (Building) and leasehold improvements are depreciated over the shorter of lease term or their useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life.

Depreciation on addition/ (disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which the asset is ready for use/ (disposed off).
The management estimate of the useful life of various categories of assets is as follows:

Asset Category*	Useful Life (Years)	Useful life as per Schedule II (Years)
Building	15-60	60
Computers and accessories	3-6	3-6
Plant and machinery	3-30	15
Furniture and fixtures	5-8	10
Vehicles	8	8
Office equipment	3-10	5

* For the above class of assets, the management based on internal technical evaluation, has determined that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives of few assets included in the above asset categories are different from the useful lives as prescribed under the statute governing companies in India.
Freehold land is not depreciated.

3) Goodwill and Intangible assets

Goodwill

For measurement of goodwill that arises on a business combination (Refer note 2.1). Subsequent measurement is at cost less any accumulated impairment losses.

Intangible assets

Recognition and measurement
Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

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

Amortisation
Intangible assets of the Group represents computer software. Computer software are amortized using the straight-line method over the estimated useful life (at present three to ten years) or the tenure of the respective software license, whichever is lower. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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 recognized in the profit or loss when the asset is derecognized.

4) Financial instruments

i. Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are initially recognised at fair value. 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 of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, the Group recognises the difference as a gain or loss at inception ('day 1 gain or loss'). In all other cases, the entire day 1 gain or loss is deferred and recognised in the income statement over the life of the transaction until the transaction matures or is closed out.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTOCI – debt investment;
- FVTOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measure at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. *Derecognition*

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Group enters into transactions whereby it transfers assets recognised on its restated consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the restated consolidated statement of asset and liabilities when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. *Financial guarantee*

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Such guarantees are initially measured at fair value and subsequently at the higher of:

- the expected credit loss allowance determined in accordance with Ind AS 109; and
- the amount recognised initially less, when appropriate, cumulative amortisation recognised

vi. *Derivative financial instruments and hedge accounting*

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variable interest rate risk associated with borrowings (cash flow hedges).

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

vii. Modification of financial assets and liabilities

Financial assets:
If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Financial Liabilities:
The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

viii. Fully Compulsorily convertible debentures (issued to International Financial Corporation)
The Company has issued fully compulsorily convertible debentures (FCCDs) to International Financial Corporation (IFC). As per the terms of debenture agreement, each debenture will be converted in to equity shares based on an agreed conversion formula (fixed to variable conversion). Accordingly, the whole amount has been treated as financial liability in books and carried at amortised cost.
Further, the conversion of FCCDs into equity shares is based on the Company achieving certain IRR % in foreign currency (USD) terms. The Company has identified the foreign currency IRR as an embedded derivative. As the risks associated with the underlying variable are not closely related to the host instrument, the foreign currency embedded derivative has been separately accounted for from the FCCDs. The foreign currency embedded derivative has been fair valued through profit or loss at each balance sheet date.

5) Impairment

A. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at Fair value through profit and loss (FVTPL) are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward‑looking information.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses
Expected credit losses are a probability‑weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

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 analysed.

Presentation of allowance for expected credit losses in the restated consolidated balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

B. Impairment of Non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset's (or cash generating unit's) net selling price and value in use. 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 risks specific to the asset (or cash generating unit).
An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

6) Inventories

Inventories which comprises stock of food and beverages (including liquor), operating supplies and stock-in-trade are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. In determining the cost, first in first out ("FIFO") method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

7) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Export Promotion Capital Goods scheme

The grant or subsidy received to compensate the import cost of assets, subject to an export obligation is recognised in the Restated Consolidated Statement of Profit and Loss in ratio of fulfilment of associated export obligations.

Service Exports from India scheme (SEIS)

The scheme entitles the Group to receive SEIS licenses basis the annual earnings in foreign currency. These licenses can be utilised by the Group or sold in the market. The grant is recognised in the Restated Consolidated Statement of Profit and Loss on an accrual basis at realizable value.

8) Provisions

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

The Group records a provision for site restoration costs (Decommissioning) to be incurred for the restoration of leasehold land at the end of the lease period. The provision is measured at the present value of the best estimate of the expected costs to settle the obligation and recognised as part of the cost of property, plant and equipment. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the costs of the asset and site restoration obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

9) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. The Group does not recognize a contingent liability but discloses its existence in the Restated Consolidated Financial information.

10) Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition and/or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Capitalisation of borrowing costs is suspended in the period during which active development is delayed due to interruption, other than temporary interruption. Other borrowing costs are recognised as an expense in the restated consolidated Statement of Profit and Loss in the period in which they are incurred. Borrowing cost related to borrowings made specifically for the purpose of obtaining a qualifying asset that remain outstanding after substantially all the activities necessary to prepare that asset for its intended use or sale are complete are considered as part of the general borrowing costs of the entity.

11) Employee benefits

(a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(b) Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees under the Employee Stock Option Scheme is recognised as an employee stock option expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in "Employee stock option outstanding account", as a separate component in equity. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(c) Post-employment benefits

Defined contribution plan – Provident fund and Employee State Insurance

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amounts. Provident fund scheme and employee state insurance are defined contribution schemes. The Group makes specified monthly contributions towards these schemes. The Group's contributions are recorded as an expense in the Profit or loss during the period in which the employee renders the related service. If the contribution already paid is less than the contribution payable to the scheme for service received before the balance sheet date, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plan – Gratuity

The Group's gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in consolidated other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

(d) Other long-term employee benefit obligations – Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

12) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue is net of indirect taxes and discounts.

Room revenue, sale of food and beverages, recreation services and property management services

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue comprises room revenue, sale of food and beverages, property management services, recreation and other services relating to hotel operations. Revenue is recognised upon rendering of the services and sale of food and beverages.

Space rentals

Space rental income comprises amount earned for use of hotel premises space by other parties. The income is recognised when services are rendered as per the terms of the contract and no significant uncertainty exists regarding the collection of the consideration.

13) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

14) Accounting for Foreign Currency Transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the profit or loss.
Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the profit or loss on a net basis.

15) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Minimum Alternate Tax ('MAT') for the year is charged to the Restated Consolidated Statement of Profit and Loss as current tax.
Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Restated Consolidated Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and Group intend to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

16) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

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 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.

17) Leases

The Group has applied Ind AS 116 – 'Leases' using the modified retrospective approach.

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

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

– the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

– the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

i. As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The Group has also availed the option of recognising right-of-use asset equivalent to lease liability at the transition date of 1 April 2016 for some of its leases.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other non-current financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other income’.

Asset given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs brokerage costs etc, if incurred, are recognized immediately in the Statement of Profit and Loss.

18) Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the 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, except where the results would be anti - dilutive.

19) Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques 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.

20) Non-current assets held for sale

Non-current assets held for sale comprising assets and liabilities are classified as held for sale if it is highlhy probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

(All amounts in Rupees millions, unless otherwise stated)

1 Property, plant and equipment and Capital work-in-progress

Reconciliation of carrying amount

	Land freehold	Right of use (Land)	Building	Plant and machinery	Leasehold improvements	Furniture and fixtures	Vehicles	Computers and accessories	Office equipment	Right of Use (Building)	Total	Capital work-in-progress
Gross carrying amount												
Balance as at 1 April 2016	**7,012.96**	**-**	**8,998.33**	**3,239.14**	**12.05**	**1,351.87**	**39.98**	**164.00**	**124.29**	**237.21**	**21,179.83**	**1,967.41**
Additions during the year	-	-	664.30	416.79	0.02	149.77	5.87	14.95	16.99	253.98	**1,522.67**	990.10
Deletions during the year	-	-	-	-	-	-	-	-	-	-	**-**	(1,495.57)
Balance as at 31 March 2017	**7,012.96**	**-**	**9,662.63**	**3,655.93**	**12.07**	**1,501.64**	**45.85**	**178.95**	**141.28**	**491.19**	**22,702.50**	**1,461.94**
Accumulated depreciation and impairment losses												
Balance as at 1 April 2016	**-**	**-**	**225.87**	**139.61**	**4.64**	**128.86**	**3.00**	**40.62**	**21.17**	**-**	**563.77**	**-**
Depreciation charge for the year	-	-	376.55	264.33	4.64	261.11	5.59	53.70	27.54	22.05	**1,015.51**	-
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	**-**	-
Balance as at 31 March 2017	**-**	**-**	**602.42**	**403.94**	**9.28**	**389.97**	**8.59**	**94.32**	**48.71**	**22.05**	**1,579.28**	**-**
Net carrying amount												
Balance as at 31 March 2017	**7,012.96**	**-**	**9,060.21**	**3,251.99**	**2.79**	**1,111.67**	**37.26**	**84.63**	**92.57**	**469.14**	**21,123.22**	**1,461.94**

	Land freehold	Right of use (Land)	Building	Plant and machinery	Leasehold improvements	Furniture and fixtures	Vehicles	Computers and accessories	Office equipment	Right of Use (Building)	Total	Capital work-in-progress
Gross carrying amount												
Balance as at 1 April 2017	**7,012.96**	**-**	**9,662.63**	**3,655.93**	**12.07**	**1,501.64**	**45.85**	**178.95**	**141.28**	**491.19**	**22,702.50**	**1,461.94**
Acquisitions under business combinations (refer note 48)	484.00	324.24	824.48	299.53	-	98.72	-	7.30	4.88	279.49	**2,322.64**	426.34
Additions during the year *	6.30	-	932.00	465.68	2.81	175.20	3.57	43.40	11.02	76.40	**1,716.38**	1,248.56
Deletions during the year	(113.30)	-	-	-	-	-	(1.73)	-	-	-	**(115.03)**	(1,452.51)
Balance as at 31 March 2018	**7,389.96**	**324.24**	**11,419.11**	**4,421.14**	**14.88**	**1,775.56**	**47.69**	**229.65**	**157.18**	**847.08**	**26,626.49**	**1,684.33**
Accumulated depreciation and impairment losses												
Balance as at 1 April 2017	**-**	**-**	**602.42**	**403.94**	**9.28**	**389.97**	**8.59**	**94.32**	**48.71**	**22.05**	**1,579.28**	**-**
Depreciation charge for the year	-	2.12	422.11	299.27	2.10	285.68	6.26	50.38	31.22	29.29	**1,128.43**	-
Reversal on disposal of assets	-	-	-	-	-	-	(0.56)	-	-	-	**(0.56)**	-
Impairment loss (refer note 54)	-	-	122.87	40.96	-	11.40	-	3.67	0.98	-	**179.88**	-
Balance as at 31 March 2018	**-**	**2.12**	**1,147.40**	**744.17**	**11.38**	**687.05**	**14.29**	**148.37**	**80.91**	**51.34**	**2,887.03**	**-**
Net carrying amount												
Balance as at 31 March 2018	**7,389.96**	**322.12**	**10,271.71**	**3,676.97**	**3.50**	**1,088.51**	**33.40**	**81.28**	**76.27**	**795.74**	**23,739.46**	**1,684.33**

	Land freehold	Right of use (Land)	Building	Plant and machinery	Leasehold improvements	Furniture and fixtures	Vehicles	Computers and accessories	Office equipment	Right of Use (Building)	Total	Capital work-in-progress
Gross carrying amount												
Balance as at 1 April 2018	**7,389.96**	**324.24**	**11,419.11**	**4,421.14**	**14.88**	**1,775.56**	**47.69**	**229.65**	**157.18**	**847.08**	**26,626.49**	**1,684.33**
Additions during the year	-	-	1,859.90	620.44	-	345.23	14.95	139.77	61.44	75.94	**3,117.67**	1,605.67
Deletions during the year	-	-	(263.20)	(78.60)	-	(338.09)	(4.65)	-	(11.97)	-	**(696.51)**	(3,065.84)
Reclassified to asset held for sale **	(166.30)	-	-	-	-	-	-	-	-	-	**(166.30)**	(41.85)
Balance as at 31 March 2019	**7,223.66**	**324.24**	**13,015.81**	**4,962.98**	**14.88**	**1,782.70**	**57.99**	**369.42**	**206.65**	**923.02**	**28,881.35**	**182.31**
Accumulated depreciation and impairment losses												
Balance as at 1 April 2018	**-**	**2.12**	**1,147.40**	**744.17**	**11.38**	**687.05**	**14.29**	**148.37**	**80.91**	**51.34**	**2,887.03**	**-**
Depreciation charge for the year ***	-	3.33	699.75	355.01	0.34	375.48	6.23	57.49	39.84	34.03	**1,571.50**	-
Reversal on disposal of assets	-	-	(263.20)	(49.19)	-	(236.45)	(2.30)	-	(11.97)	-	**(563.11)**	-
Balance as at 31 March 2019	**-**	**5.45**	**1,583.95**	**1,049.99**	**11.72**	**826.08**	**18.22**	**205.86**	**108.78**	**85.37**	**3,895.42**	**-**
Net carrying amount												
Balance as at 31 March 2019	**7,223.66**	**318.79**	**11,431.86**	**3,912.99**	**3.16**	**956.62**	**39.77**	**163.56**	**97.87**	**837.65**	**24,985.93**	**182.31**

(All amounts in Rupees millions, unless otherwise stated)

1 Property, plant and equipment and Capital work-in-progress (Continued)

	Land freehold	Right of use (Land)	Building	Plant and machinery	Leasehold improvements	Furniture and fixtures	Vehicles	Computers and accessories	Office equipment	Right of Use (Building)	Total	Capital work-in-progress
Gross carrying amount												
Balance as at 1 April 2018	**7,389.96**	**324.24**	**11,419.11**	**4,421.14**	**14.88**	**1,775.56**	**47.69**	**229.65**	**157.18**	**847.08**	**26,626.49**	**1,684.33**
Additions during the period	-	-	859.86	247.23	-	93.28	-	42.51	14.01	-	**1,256.89**	415.66
Deletions during the period	-	-	(263.20)	(76.78)	-	(338.09)	-	-	(11.97)	-	**(690.04)**	(1,323.71)
Balance as at 30 June 2018	**7,389.96**	**324.24**	**12,015.77**	**4,591.59**	**14.88**	**1,530.75**	**47.69**	**272.16**	**159.22**	**847.08**	**27,193.34**	**776.28**
Accumulated depreciation and impairment losses												
Balance as at 1 April 2018	**-**	**2.12**	**1,147.40**	**744.17**	**11.38**	**687.05**	**14.29**	**148.37**	**80.91**	**51.34**	**2,887.03**	**-**
Depreciation charge for the period ***	-	0.83	332.80	102.56	0.12	192.49	1.59	13.72	17.24	8.28	**669.63**	-
Reversal on disposal of assets	-	-	(263.20)	(47.46)	-	(236.45)	-	-	(11.97)	-	**(559.08)**	-
Balance as at 30 June 2018	**-**	**2.95**	**1,217.00**	**799.27**	**11.50**	**643.09**	**15.88**	**162.09**	**86.18**	**59.62**	**2,997.58**	**-**
Net carrying amount												
Balance as at 30 June 2018	**7,389.96**	**321.29**	**10,798.77**	**3,792.32**	**3.38**	**887.66**	**31.81**	**110.07**	**73.04**	**787.46**	**24,195.76**	**776.28**

	Land freehold	Right of use (Land)	Building	Plant and machinery	Leasehold improvements	Furniture and fixtures	Vehicles	Computers and accessories	Office equipment	Right of Use (Building)	Total	Capital work-in-progress
Gross carrying amount												
Balance as at 1 April 2019	**7,223.66**	**324.24**	**13,015.81**	**4,962.98**	**14.88**	**1,782.70**	**57.99**	**369.42**	**206.65**	**923.02**	**28,881.35**	**182.31**
Additions during the period	-	-	6.36	3.61	-	0.27	-	6.31	-	-	**16.55**	13.94
Deletions during the period	-	-	-	-	-	-	-	-	-	-	**-**	-
Balance as at 30 June 2019	**7,223.66**	**324.24**	**13,022.17**	**4,966.59**	**14.88**	**1,782.97**	**57.99**	**375.73**	**206.65**	**923.02**	**28,897.90**	**196.25**
Accumulated depreciation and impairment losses												
Balance as at 1 April 2019	**-**	**5.45**	**1,583.95**	**1,049.99**	**11.72**	**826.08**	**18.22**	**205.86**	**108.78**	**85.37**	**3,895.42**	**-**
Depreciation charge for the period	-	0.83	131.74	87.89	0.08	56.35	1.74	14.65	7.63	8.77	**309.68**	-
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	**-**	-
Balance as at 30 June 2019	**-**	**6.28**	**1,715.69**	**1,137.88**	**11.80**	**882.43**	**19.96**	**220.51**	**116.41**	**94.14**	**4,205.10**	**-**
Net carrying amount												
Balance as at 30 June 2019	**7,223.66**	**317.96**	**11,306.48**	**3,828.71**	**3.08**	**900.54**	**38.03**	**155.22**	**90.24**	**828.88**	**24,692.80**	**196.25**

a) Refer to Note 39 and 22 for information on property, plant and equipment pledged as security by the Group.
b) Refer Note 33 for information on employee benefits expense capitalised.
c) Additions to Capital work-in-progress includes borrowing cost capitalised amounting to 30 June 2019 - INR Nil; 30 June 2018 - INR 13.96; 31 March 2019 - INR 82.51; 31 March 2018 - INR 84.59; 31 March 2017 - INR 124.15. The average borrowing rate is within the range of 10% - 12%.
d) Refer Note 36 for information on other expenses capitalised.
e) Refer Note 50 for lease disclosures as per Ind AS 116.

* Additions to leasehold improvements include provision for decommissioning liability created amounting to 30 June 2019 - INR Nil; 30 June 2018 - INR Nil; 31 March 2019 - INR Nil; 31 March 2018 - INR 0.07; 31 March 2017 - INR Nil.
Additions to freehold land include 30 June 2019 - INR Nil; 30 June 2018 - INR Nil; 31 March 2019 - INR Nil; 31 March 2018 - INR 6.30; 31 March 2017 - INR Nil on account of stamp duty. (Refer note 7)

** The Group reclassified a parcel of land and capital work-in-progress as asset held for sale. The asset held for sale has been measured at fair value less cost to sell for INR 70.00. The difference of INR 138.15 between carrying value and fair value has been recognised as an expense in the statement of profit and loss as an exceptional item. (Refer note 37)

*** The Group has discarded and sold certain items of property, plant and equipment as the hotel properties were rebranded. The Group has charged accelerated depreciation of INR 375.91 in this respect during the year and disclosed the same as an exceptional item. (Refer note 37)

(All amounts in Rupees millions, unless otherwise stated)

2 Intangible assets and Goodwill

Reconciliation of carrying amount

	Other Intangible assets Computer software	Goodwill (Refer note 54)
Gross carrying amount		
Balance as at 1 April 2016	**79.97**	**272.86**
Additions during the year	8.71	-
Deletions during the year	-	-
Balance as at 31 March 2017	**88.68**	**272.86**
Accumulated amortisation and impairment losses		
Balance as at 1 April 2016	**7.65**	-
Amortisation expense for the year	13.76	-
Balance as at 31 March 2017	**21.41**	-
Net carrying amount		
Balance as at 31 March 2017	**67.27**	**272.86**

	Other Intangible assets Computer software	Goodwill (Refer note 54)
Gross carrying amount		
Balance as at 1 April 2017	**88.68**	**272.86**
Acquisitions under business combinations (refer note 48)	3.42	-
Additions during the year	31.61	-
Deletions during the year	-	-
Balance as at 31 March 2018	**123.71**	**272.86**
Accumulated amortisation and impairment losses		
Balance as at 1 April 2017	**21.41**	-
Amortisation expense for the year	16.50	-
Impairment loss (refer note 54)	1.27	-
Balance as at 31 March 2018	**39.18**	-
Net carrying amount		
Balance as at 31 March 2018	**84.53**	**272.86**

	Other Intangible assets Computer software	Goodwill (Refer note 54)
Gross carrying amount		
Balance as at 1 April 2018	**123.71**	**272.86**
Additions during the year	68.99	-
Deletions during the year	(7.97)	-
Balance as at 31 March 2019	**184.73**	**272.86**
Accumulated amortisation and impairment losses		
Balance as at 1 April 2018	**39.18**	-
Amortisation expense for the year	27.18	-
Reversal on deletion of assets	(2.50)	-
Balance as at 31 March 2019	**63.86**	-
Net carrying amount		
Balance as at 31 March 2019	**120.87**	**272.86**

(All amounts in Rupees millions, unless otherwise stated)

2 Intangible assets and Goodwill (Continued)

	Other Intangible assets Computer software	Goodwill (Refer note 54)
Gross carrying amount		
Balance as at 1 April 2018	**123.71**	**272.86**
Additions during the period	22.99	-
Deletions during the period	(7.97)	-
Balance as at 30 June 2018	**138.73**	**272.86**
Accumulated amortisation and impairment losses		
Balance as at 1 April 2018	**39.18**	**-**
Amortisation expense for the period	5.63	-
Reversal on deletion of assets	(2.50)	-
Balance as at 30 June 2018	**42.31**	**-**
Net carrying amount		
Balance as at 30 June 2018	**96.42**	**272.86**

	Other Intangible assets Computer software	Goodwill (Refer note 54)
Gross carrying amount		
Balance as at 1 April 2019	**184.73**	**272.86**
Additions during the period	0.09	-
Deletions during the period	-	-
Balance as at 30 June 2019	**184.82**	**272.86**
Accumulated amortisation and impairment losses		
Balance as at 1 April 2018	**63.86**	**-**
Amortisation expense for the period	6.92	-
Reversal on deletion of assets	-	-
Balance as at 30 June 2019	**70.78**	**-**
Net carrying amount		
Balance as at 30 June 2019	**114.04**	**272.86**

(All amounts in Rupees millions, unless otherwise stated)

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
3 Non-current financial assets - Loans					
(Unsecured, considered good)					
Security deposits	116.07	106.96	113.63	99.26	83.31
Less: Interest accrued on security deposits (refer note 13)	(0.23)	(0.29)	(0.71)	(0.77)	(0.77)
Advances to Key Management Person* #	36.49	33.45	35.73	32.70	29.67
	152.33	**140.12**	**148.65**	**131.19**	**112.21**

* Represent loan given to Managing Director of the Company on 29 March 2014 for a period of 3 years at an interest rate of 14.75% per annum on principal loan amount. The initial loan period has been extended till 31 March 2021.
# Includes interest accrued of 30 June 2019 - INR 15.94; 30 June 2018 - INR 12.90; 31 March 2019 - INR 15.18; 31 March 2018 - INR 12.15; 31 March 2017 - INR 9.12.

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
4 Non-current financial assets - Others					
(Unsecured, considered good)					
Bank deposits (due to mature after 12 months from the reporting date)*#	504.87	604.30	432.10	425.18	142.07
Lease receivable	42.97		45.46	-	-
Derivative component of IFC FCCDs ^	4.70	4.27	4.59	4.16	5.20
	552.54	**608.57**	**482.15**	**429.34**	**147.27**

* Includes deposits under lien amounting to 30 June 2019 - INR 478.41; 30 June 2018 - INR 572.72; 31 March 2019 - INR 399.70; 31 March 2018 - INR 396.01; 31 March 2017 - INR 119.99.
# Includes interest accrued on fixed deposits amounting to 30 June 2019 - INR 26.46; 30 June 2018 - INR 31.58; 31 March 2019 - INR 32.40; 31 March 2018 - INR 29.17; 31 March 2017 - INR 18.84.

^ The Company has issued 1,260,000 fully compulsorily convertible debentures (FCCDs) to International Financial Corporation (IFC). As per the terms of FCCDs, the conversion of FCCDs into equity shares is based on the Company achieving certain IRR % in foreign currency (USD) terms. The Company has identified the foreign currency IRR as an embedded derivative. As the risks associated with the underlying variable are not closely related to the host instrument, the embedded derivative has been separately accounted for from the FCCDs. The embedded derivative has been fair valued through profit or loss at each balance sheet date.
Refer Note 46 for financial instruments disclosure (including fair value disclosure).

5 Income tax assets (net)					
Tax deducted at source	175.47	146.05	188.78	149.40	99.13
	175.47	**146.05**	**188.78**	**149.40**	**99.13**

6 Income tax

A. The major components of income tax expense/(income) ar

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Recognised in profit or loss					
Current tax	4.50	-	15.56	-	-
Deferred tax	(11.30)	14.26	(14.18)	(175.05)	(262.23)
	(6.80)	**14.26**	**1.38**	**(175.05)**	**(262.23)**
Recognised in Other comprehensive incom					
Net loss/(gain) on remeasurements of defined benefit plans					
Before tax	1.07	1.74	5.55	2.61	(0.42)
Tax impact	-	-	-	(0.15)	(0.12)
After tax	1.07	1.74	5.55	2.46	(0.54)
Effective portion of gains /(losses) on hedging instruments in cash flow hedges					
Before tax		2.76	5.76	36.56	(0.02)
Tax impact		-	-	-	(9.95)
After tax	-	2.76	5.76	36.56	(9.97)
	-	**-**	**-**	**(0.15)**	**(10.07)**

B. Deferred tax assets / liabilities	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Deferred tax assets					
Others	0.59	4.16	-	-	-
Unabsorbed business losses and depreciation	238.45	65.74	230.55	77.30	205.48
Loss allowance for doubtful debts	0.74	0.23	-	0.21	0.16
MAT Credit	20.07		15.57	-	-
Provision for employee benefits	37.20	27.14	36.34	26.60	25.66
Deferred government grant	-		-	2.25	4.65
Lease liability and Right-of-use (net)	2.03		2.20	2.55	3.46
	299.08	**97.27**	**284.66**	**108.91**	**239.41**
Deferred tax liabilities					
Investments measured at fair value	-	0.20	0.79	0.36	1.73
Property, plant and equipment, Capital work-in-progress and Intangible assets	349.30	187.72	346.61	184.97	488.51
FCCDs issued by Barque	-		-	-	1.44
Others	1.67	0.98	0.45	0.95	-
	350.97	**188.90**	**347.85**	**186.28**	**491.68**
Deferred tax liabilities (net)	**51.89**	**91.63**	**63.19**	**77.37**	**252.27**

C. Movement in temporary differences

	Balance as at 1 April 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Recognised in other equity during 2016-17	Balance as at 31 March 2017
31 March 2017					
Deferred tax assets					
Others	6.43	(6.43)	-	-	-
Unabsorbed business losses and depreciation	715.43	(509.95)	-	-	205.48
Loss allowance for doubtful debts	0.43	(0.27)	-	-	0.16
Provision for employee benefits	10.44	15.34	(0.12)	-	25.66
Deferred government grant	38.64	(33.99)	-	-	4.65
Lease liability and Right-of-use (net)	10.11	(6.65)	-	-	3.46
Derivative liability on interest rate swaps	14.47	(4.52)	(9.95)	-	0.00
	795.95	**(546.47)**	**(10.07)**	**-**	**239.41**
Deferred tax liabilities					
Property, plant and equipment, Capital work-in-progress and Intangible assets	(1,236.33)	747.82	-	-	(488.51)
Investments measured at fair value	(7.90)	6.17	-	-	(1.73)
Other	-	(1.44)	-	-	(1.44)
FCCDs issued by Barque	(83.77)	56.15	-	27.62	-
	(1,328.00)	**808.70**	**-**	**27.62**	**(491.68)**
Net deferred tax asset / (liability)	**(532.05)**	**262.23**	**(10.07)**	**27.62**	**(252.27)**

(All amounts in Rupees millions, unless otherwise stated)

31 March 2018	Balance as at 1 April 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Recognised in other equity during 2017-18	Balance as at 31 March 2018
Deferred tax assets					
Unabsorbed business losses and depreciation	205.48	(128.18)	-	-	77.30
Loss allowance for doubtful debts	0.16	0.05	-	-	0.21
Provision for employee benefits	25.66	1.09	(0.15)	-	26.60
Deferred government grant	4.65	(2.40)	-	-	2.25
Lease liability and Right-of-use (net)	3.46	(0.91)			2.55
	239.41	**(130.35)**	**(0.15)**	**-**	**108.91**
Deferred tax liabilities					
Property, plant and equipment, Capital work-in-progress and Intangible assets	(488.51)	303.54	-	-	(184.97)
Investments measured at fair value	(1.73)	1.37	-	-	(0.36)
Others	(1.44)	0.49	-	-	(0.95)
FCCDs issued by Barque	-	-	-		-
Derivative component of IFC FCCDs	-		-	-	-
	(491.68)	**305.40**	**-**	**-**	**(186.28)**
Net deferred tax asset / (liability)	**(252.27)**	**175.05**	**(0.15)**	**-**	**(77.37)**

31 March 2019	Balance as at 1 April 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Recognised in other equity during 2018-19	Balance as at 31 March 2019
Deferred tax assets					
Unabsorbed business losses and depreciation	77.30	153.25	-	-	230.55
Loss allowance for doubtful debts	0.21	(0.21)	-	-	-
Provision for employee benefits	26.60	9.74	-	-	36.34
Deferred government grant	2.25	(2.25)	-	-	-
Lease liability and Right-of-use (net)	2.55	(0.35)	-	-	2.20
MAT Credit	-	15.57	-	-	15.57
	108.91	**175.75**	**-**	**-**	**284.66**
Deferred tax liabilities					
Property, plant and equipment, Capital work-in-progress and Intangible assets	(184.97)	(161.64)	-	-	(346.61)
Investments measured at fair value	(0.36)	(0.43)	-	-	(0.79)
Others	(0.95)	0.50	-	-	(0.45)
	(186.28)	**(161.57)**	**-**	**-**	**(347.85)**
Net deferred tax asset / (liability)	**(77.37)**	**14.18**	**-**	**-**	**(63.19)**

30 June 2018	Balance as at 1 April 2018	Recognised in profit or loss during the period	Recognised in OCI during the period	Recognised in other equity during the period	Balance as at 30 June 2018
Deferred tax assets					
Unabsorbed business losses and depreciation	77.30	(11.56)	-	-	65.74
Loss allowance for doubtful debts	0.21	0.02	-	-	0.23
Provision for employee benefits	26.60	0.54	-	-	27.14
Deferred government grant	2.25	(0.71)	-	-	1.54
Lease liability and Right-of-use (net)	2.55	0.07	-	-	2.62
	108.91	**(11.64)**	**-**	**-**	**97.27**
Deferred tax liabilities					
Property, plant and equipment, Capital work-in-progress and Intangible assets	(184.97)	(2.75)	-	-	(187.72)
Investments measured at fair value	(0.36)	0.16	-	-	(0.20)
Others	(0.95)	(0.03)	-	-	(0.98)
	(186.28)	**(2.62)**	**-**	**-**	**(188.90)**
Net deferred tax asset / (liability)	**(77.37)**	**(14.26)**	**-**	**-**	**(91.63)**

30 June 2019	Balance as at 1 April 2019	Recognised in profit or loss during the period	Recognised in OCI during the period	Recognised in other equity during the period	Balance as at 30 June 2019
Deferred tax assets					
Others	-	0.59	-	-	0.59
Unabsorbed business losses and depreciation	230.55	7.90	-	-	238.45
Loss allowance for doubtful debts	-	0.74	-	-	0.74
Provision for employee benefits	36.34	0.86	-	-	37.20
Deferred government grant	-	-	-	-	-
Lease liability and Right-of-use (net)	2.20	(0.17)	-	-	2.03
MAT Credit	15.57	4.50	-	-	20.07
	284.66	**14.42**	**-**	**-**	**299.08**
Deferred tax liabilities					
Property, plant and equipment, Capital work-in-progress and Intangible assets	(346.61)	(2.69)	-	-	(349.30)
Investments measured at fair value	(0.79)	0.79	-	-	-
Others	(0.45)	(1.22)	-	-	(1.67)
	(347.85)	**(3.12)**	**-**	**-**	**(350.97)**
Net deferred tax asset / (liability)	**(63.19)**	**11.30**	**-**	**-**	**(51.89)**

D. Reconciliation of effective tax rate (tax expense and the accounting profit multiplied by Group's domestic tax rate

	For the period 1 April 2019 to 30 June 2019		For the period 1 April 2018 to 30 June 2018		For the year ended 31 March 2019		For the year ended 31 March 2018		For the year ended 31 March 2017	
	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
Loss before tax		(593.22)		(1,237.05)		(3,029.88)		(2,030.61)		(1,464.42)
Tax using the Group’s domestic tax rate	26.00%	(154.25)	26.00%	(321.63)	26.00%	(787.77)	25.75%	(522.88)	30.90%	(452.51)
Tax effect of:										
Non recognition of deferred taxes on temporary differences	(24.85%)	147.44	(27.15%)	335.89	(26.05%)	789.15	(17.13%)	347.83	(12.99%)	190.28
Effective tax rate	**1.15%**	**(6.80)**	**(1.15%)**	**14.26**	**(0.05%)**	**1.38**	**8.62%**	**(175.05)**	**17.91%**	**(262.23)**

E. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised with expiry date are as follows:

	As at 30 June 2019		As at 30 June 2018		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Amount	Expiry period (FY)	Amount	Expiry period (FY)	Amount	Expiry period (FY)	Amount	Expiry period (FY)	Amount	Expiry period (FY)
Business loss	2,859.90	2019 - 2028	2,371.11	2019 - 2027	2,637.19	2019 - 2027	1,652.33	2019 - 2026	882.49	2019 - 2025
Unabsorbed depreciation	7,687.88	Never expire	6,691.84	Never expire	7,367.31	Never expire	6,478.11	Never expire	4,428.85	Never expire

The Group has not recognised net deferred tax assets in respect of subsidiary companies in the absence of reasonable certainty of sufficient future taxable profits. Details of such balances are provided below:

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Deferred tax assets					
Others	67.81	77.44	83.06	70.00	6.15
Unabsorbed business losses and depreciation	2,746.24	2,330.81	2,604.99	2,125.31	1,695.51
	2,814.05	**2,408.25**	**2,688.05**	**2,195.31**	**1,701.66**
Deferred tax liabilities					
Property, plant and equipment, Capital work-in-progress and Intangible assets	1,317.76	1,451.62	1,300.90	1,527.90	1,320.31
	1,317.76	**1,451.62**	**1,300.90**	**1,527.90**	**1,320.31**
Deferred tax assets (net)	**1,496.29**	**956.63**	**1,387.15**	**667.41**	**381.35**

(All amounts in Rupees millions, unless otherwise stated)

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
7 Other non-current assets					
(Unsecured, considered good)					
Capital advances	48.28	108.58	66.65	65.20	32.84
Taxes paid under appeal #	6.56	2.06	6.56	2.06	2.06
Prepaid expenses	164.20	181.52	167.91	169.14	185.84
Balance with statutory authorities	7.29	6.74	7.15	6.61	19.34
Duties paid under protest *	-	-	-	-	6.30
Other receivables	5.98	14.52	7.91	18.46	-
	232.31	**313.42**	**256.18**	**261.47**	**246.38**

Includes taxes paid under appeal for Paulmech Hospitality Private Limited amounting to 30 June 2019 - INR 2.06; 30 June 2018 - INR 2.06; 31 March 2019 - INR 2.06; 31 March 2018 - INR 2.06, 31 March 2017 - INR 2.06 and CASPIA Hotels Private Limited amounting to 30 June 2019 - INR 4.50; 30 June 2018 - INR Nil; 31 March 2019 - INR 4.50; 31 March 2018 - INR Nil, 31 March 2017 - INR Nil.

* CASPIA Hotels Private Limited had paid stamp duty under protest to the Tamil Nadu State Government in respect of transfer of land. The case was pending before Hon'ble High Court till 31 March 2017. CASPIA Hotels Private Limited is not pursuing the case and the stamp duty paid under protest has been capitalised to the cost of land in the year ended 31 March 2018.

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
8 Inventories					
(valued at lower of cost and net realizable value)					
Food and beverages	42.06	35.08	44.42	33.55	30.72
Stores and operating supplies	3.66	4.28	3.36	4.14	4.26
Stock-in-trade	-	-	-	0.39	0.52
	45.72	**39.36**	**47.78**	**38.08**	**35.50**

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
9 Current financial assets - Investments					
Investments in mutual funds, quoted (At fair value through profit and loss), fully paid-u					
ICICI Prudential Fund Liquid Plan - Direct Growth: 30 June 2019- Nil units; 30 June 2018- 216,829 units; 31 March 2019- 58,318 units; 31 March 2018- 146,962 units; 31 March 2017- Nil units.	-	56.74	16.12	37.77	-
ICICI Prudential Liquid Fund Direct Plan Growth: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR 447,188 units; 31 March 2018- Nil units; 31 March 2017- Nil units.	-	-	123.62	-	-
ICICI Prudential Money Market Fund - Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR 72,892 units; 31 March 2019- INR Nil units; 31 March 2018- 128,520 units, 31 March 2017- Nil units.	-	17.58	-	30.90	-
ICICI Prudential Money Market Fund Direct Growth: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR 150 units; 31 March 2018- Nil units, 31 March 2017 - Nil units.	-	-	0.04	-	-
ICICI Prudential Liquid Regular Plan: 30 June 2019- INR Nil units; 30 June 2018- INR 35,593 units; 31 March 2019- INR Nil units; 31 March 2018- 35,593 units, 31 March 2017- 35,593 units.	-	9.28	-	9.12	8.55
ICICI Prudential Liquid Regular Plan: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR Nil units; 31 March 2018- Nil units, 31 March 2017- 1,114,447 units.	-	-	-	-	250.78
Reliance Liquid Fund-Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR 2,224 units; 31 March 2019- INR 3,486 units; 31 March 2018- 10,766 units, 31 March 2017- Nil units.	-	9.60	15.90	45.65	-
Reliance Liquid Fund - Treasury Plan - Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR 4,000 units; 31 March 2019- INR 3,590 units; 31 March 2018- 3,315 units, 31 March 2017- Nil units.	-	18.34	16.38	14.06	-
Reliance Liquid Fund -Treasury Plan-Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR 16,332 units; 31 March 2019- INR Nil units; 31 March 2018- 15,436 units, 31 March 2017- 37,426 units.	-	70.48	-	65.45	147.98
Reliance Liquid Fund-Treasury Plan-Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR 3,743 units; 31 March 2019- INR Nil units; 31 March 2018- Nil units, 31 March 2017 - 5,755 units.	-	16.15	-	-	22.83
Reliance Liquid Fund -Treasury Plan-Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR Nil units; 31 March 2018- Nil units, 31 March 2017- 12,641 units.	-	-	-	-	50.15
Reliance Liquid Plan - Growth plan: 30 June 2019- INR Nil units; 30 June 2018- INR 2,698 units; 31 March 2019- INR 3,159 units; 31 March 2018- 2,698 units, 31 March 2017- 861 units.	-	11.64	14.41	11.44	3.42
HDFC Liquid Fund -Regular Plan - Growth Plan: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR Nil units; 31 March 2018- Nil units, 31 March 2017- 31,625 units.	-	-	-	-	101.23
Birla Sun Life Cash Plus - Growth Regular Plan: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR Nil units; 31 March 2018- Nil units, 31 March 2017- 194,140 units.	-	-	-	-	50.61
Axis Liquid Fund - Direct Growth: 30 June 2019- INR Nil units; 30 June 2018- INR Nil units; 31 March 2019- INR 43,486 units; 31 March 2018- Nil units, 31 March 2017- Nil units.	-	-	90.17	-	-
DSP Blackrock Mutual Fund Institutional Plan- Growth: 30 June 2019- INR Nil units; 30 June 2018- INR 33,522 units; 31 March 2019- INR Nil units; 31 March 2018- 27,155 units, 31 March 2017- 27,666 units.	-	84.50	-	67.21	64.08
	-	**294.31**	**276.64**	**281.60**	**699.63**
Aggregate amount of quoted investments and market value thereof	-	294.31	276.64	281.60	699.63
Aggregate amount of impairment in value of investments	-	-	-	-	-

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
10 Current financial assets - Trade receivables					
Unsecured					
-Considered good	350.81	239.35	313.28	271.16	137.91
-Credit impaired	18.15	8.73	13.89	4.45	2.82
	368.96	**248.08**	**327.17**	**275.61**	**140.73**
Allowance for Credit impaired	(18.15)	(8.73)	(13.89)	(4.45)	(2.82)
	350.81	**239.35**	**313.28**	**271.16**	**137.91**

a) The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 46.
b) For receivables secured against borrowings, refer to note 22 and 39.

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
11 Current financial assets - Cash and cash equivalents					
Balances with banks					
- on current accounts ^	426.32	482.96	430.55	549.17	345.80
- on deposit accounts (with original maturity of 3 months or less) * #	218.97	33.20	10.24	78.42	49.81
Cash on hand	4.87	3.26	5.15	3.13	3.00
	650.16	**519.42**	**445.94**	**630.72**	**398.61**

^ includes current account earmarked for borrowings amounting to 30 June 2019: INR 0.08; 30 June 2018: INR Nil; 31 March 2019: INR Nil; 31 March 2018: INR 17.00; 31 March 2017: INR Nil
* including interest accrued on fixed deposits 30 June 2019: INR 0.60; 30 June 2018: INR Nil; 31 March 2019: INR 0.02; 31 March 2018: INR 0.68; 31 March 2017: INR 0.08
# Includes deposits under lien amounting to 30 June 2019: INR 0.59; 30 June 2018: INR Nil; 31 March 2019: INR Nil; 31 March 2018: INR 77.74; 31 March 2017: INR 41.05

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
12 Current financial assets - Other bank balances					
Bank deposits (due to mature within 12 months from the reporting date) * #	57.57	333.92	42.18	838.44	468.88
	57.57	**333.92**	**42.18**	**838.44**	**468.88**

* including interest accrued on fixed deposits 30 June 2019: INR 2.04; 30 June 2018: INR 11.98; 31 March 2019: INR 1.32; 31 March 2018: INR 24.78; 31 March 2017: INR 16.53
# Includes deposits under lien amounting to 30 June 2019: INR 31.32; 30 June 2018: INR 280.45; 31 March 2019: INR 15.86; 31 March 2018: INR 787.97; 31 March 2017: INR 446.50

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
13 Current financial assets - Loans					
(Unsecured, considered good)					
Security deposits	9.58	10.48	9.14	10.21	5.58
Interest accrued on security deposits	0.23	0.29	0.71	0.77	0.77
	9.81	**10.77**	**9.85**	**10.98**	**6.35**
14 Current financial assets - Others					
Other receivables	9.36	8.21	11.89	9.34	14.43
Government grant #	88.20	48.82	68.91	37.45	-
Lease receivable	9.68	-	9.50	-	-
Unbilled revenue *	81.37	46.09	67.50	44.45	39.85
	188.61	**103.12**	**157.80**	**91.24**	**54.28**

* Net of advance from customers of 30 June 2019: INR 43.61; 30 June 2018: INR 36.35; 31 March 2019: INR 41.88; 31 March 2018: INR 24.43; 31 March 2017: INR 32.03
# The Group is availing export incentive under Service Exports from India Scheme (SEIS). Under the scheme, the Group is entitled to receive SEIS licenses based on the annual earnings in foreign currency. These licenses can be utilized by the Group or sold in the market. During the period, the Group has recognised income 30 June 2019: INR 19.28; 30 June 2018: INR 13.75; 31 March 2019: INR 76.03; 31 March 2018: INR 74.66; 31 March 2017: INR Nil and recoverable balance of 30 June 2019: INR 88.20; 30 June 2018: INR 48.82; 31 March 2019: INR 68.91; 31 March 2018: INR 37.45; 31 March 2017: INR Nil as at the balance sheet date.

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
15a Other current assets					
Balance with statutory authorities*	338.55	340.29	366.12	327.44	287.47
Prepaid expenses #	98.12	84.20	86.21	77.18	65.82
Other advances	69.49	85.82	59.02	41.66	27.22
	506.16	**510.31**	**511.35**	**446.28**	**380.51**

* includes amount paid under protest amounting to 30 June 2019: INR Nil; 30 June 2018: INR 3.57; 31 March 2019: INR Nil; 31 March 2018: INR 3.57; 31 March 2017: INR 3.57. Also refer note 42.
# includes current portion of non-current prepaid expenses amounting to 30 June 2019: INR 23.89; 30 June 2018: INR 14.39; 31 March 2019: INR 17.66; 31 March 2018: INR 18.84; 31 March 2017: INR 3.63

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
15b Assets held for sale					
Asset held for sale (Refer Note 1)	70.00	-	70.00	-	-
	70.00	**-**	**70.00**	**-**	**-**

(All amounts in Rupees millions, unless otherwise stated)

	As at 30 June 2019		As at 30 June 2018		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
16 Equity share capital										
Authorised share capital										
Equity Shares of INR 10 each	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00
	10,000,000	**100.00**	**10,000,000**	**100.00**	**10,000,000**	**100.00**	**10,000,000**	**100.00**	**10,000,000**	**100.00**
Issued, subscribed and fully paid up										
Equity Shares of INR 10 each	7,489,669	74.90	7,489,669	74.90	7,489,669	74.90	7,489,669	74.90	7,489,669	74.90
	7,489,669	**74.90**	**7,489,669**	**74.90**	**7,489,669**	**74.90**	**7,489,669**	**74.90**	**7,489,669**	**74.90**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of year

	For the period 1 April 2019 to 30 June 2019		For the period 1 April 2018 to 30 June 2018		For the year ended 31 March 2019		For the year ended 31 March 2018		For the year ended 31 March 2017	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Equity shares										
At the beginning of the year/period	7,489,669	74.90	7,489,669	74.90	7,489,669	74.90	7,489,669	74.90	7,489,669	74.90
Add : Issued during the year/period	-	-	-	-	-	-	-	-	-	-
Balance at the end of the year	**7,489,669**	**74.90**	**7,489,669**	**74.90**	**7,489,669**	**74.90**	**7,489,669**	**74.90**	**7,489,669**	**74.90**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having the par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The equity shares are entitled to receive dividend as and when declared. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares

Name of shareholder	As at 30 June 2019		As at 30 June 2018		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Equity shares										
Blue Chandra Pte. Limited	3,764,114	50.26%	3,764,114	50.26%	3,764,114	50.26%	3,764,114	50.26%	3,764,114	50.26%
GTI Capital Alpha Private Limited	1,329,988	17.76%	1,329,988	17.76%	1,329,988	17.76%	1,329,988	17.76%	1,329,988	17.76%
Goldman Sachs Investment Holding (Asia) Ltd.	2,111,976	28.20%	2,111,976	28.20%	2,111,976	28.20%	2,111,976	28.20%	2,111,976	28.20%

d) Shares reserved for issue under options
Refer note 53 for details of shares issued under Employee stock option plan of the Group.

e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

f) Refer note 39 for shares reserved and conversion terms in respect of Fully Compulsory Convertible Debentures (FCCD) held by International Finance Corporation and Optionally convertible redeemable debentures (OCRDs).

g) Refer note 55 for changes to share capital subsequent to the year ended 31 March 2019.

17 Other equity	**As at 30 June 2019**	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Share options outstanding account	77.56	74.38	77.14	73.11	58.23
Capital reserve	637.86	637.86	637.86	637.86	366.63
Securities premium	10,721.36	10,721.36	10,721.36	10,721.36	10,721.36
Retained earnings	(6,720.31)	(3,962.35)	(6,134.96)	(2,713.58)	(1,326.49)
Other comprehensive income - Remeasurements of defined benefit liability / asset	-	-	-	-	-
Other comprehensive income - Cash flow hedging reserve	-	(3.00)	-	(5.76)	(42.32)
	4,716.47	**7,468.25**	**5,301.40**	**8,712.99**	**9,777.41**

	For the period 1 April 2019 to 30 June 2019	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
a) Share options outstanding account					
Balance at the beginning of the year/period	77.14	73.11	73.11	58.23	-
Share based payments expense (refer note 53)	0.42	1.27	4.03	14.88	58.23
	77.56	**74.38**	**77.14**	**73.11**	**58.23**

The Group has established equity settled shared based payment plan for certain categories of employees of the Group. Refer note 53 for further details on this plan.

b) Capital reserve					
Balance at the beginning of the year/period	637.86	637.86	637.86	366.63	366.63
Business combination (refer note 48)	-	-	-	271.23	-
	637.86	**637.86**	**637.86**	**637.86**	**366.63**

This represents capital reserve on business combination being the difference between purchase consideration and fair value of net assets/liabilities acquired.

c) Securities premium					
Balance at the beginning of the year/period	10721.36	10,721.36	10,721.36	10,721.36	10,721.36
Add : Additions made during the year/period	-	-	-	-	-
	10,721.36	**10,721.36**	**10,721.36**	**10,721.36**	**10,721.36**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013.

	For the period 1 April 2019 to 30 June 2019	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
d) Retained earnings					
Balance at the beginning of the year/period	(6,134.96)	(2,713.58)	(2,713.58)	(1,326.49)	(263.04)
Profit/ (Loss) for the year/period	(586.42)	(1,250.46)	(3,034.14)	(1,851.71)	(1,062.91)
Transfer from other comprehensive income	1.07	1.69	5.55	2.29	(0.54)
Acquisition of NCI (refer note 52)	-	-	(392.79)	267.29	-
Acquisition of NCI (refer note 48)	-	-	-	195.04	-
	(6,720.31)	**(3,962.35)**	**(6,134.96)**	**(2,713.58)**	**(1,326.49)**

Retained earnings represent the amount of accumulated profits/(losses) of the Group.

e) Other comprehensive income - Remeasurements of defined benefit liability / asset					
Balance at the beginning of the year/period	-	-	-	-	
Remeasurement of defined benefit liability / asset (net of tax)	1.07	1.69	5.55	2.29	(0.54)
Transferred to retained earnings	(1.07)	(1.69)	(5.55)	(2.29)	0.54
	-	**-**	**-**	**-**	**-**

Remeasurements of defined benefit liability / (asset) comprises actuarial gains and losses.

f) Other comprehensive income - Cash flow hedging reserve					
Balance at the beginning of the year/period	-	(5.76)	(5.76)	(42.32)	(32.35)
Changes in fair value (net of tax)	-	2.76	-	36.56	(9.97)
Reclassified to profit or loss	-	-	5.76	-	-
	-	**(3.00)**	**-**	**(5.76)**	**(42.32)**

This comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred (Refer note 46).

(All amounts in Rupees millions, unless otherwise stated)

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
18 Non-current financial liabilities - Borrowings					
a) Liability component of 10% fully compulsorily convertible debentures of INR 100 each (unsecured)					
AAPC Singapore Pte. Limited					
30 June 2019: Nil; 30 June 2018: Nil; 31 March 2019: Nil; 31 March 2018: Nil; 31 March 2017: 3,331,590 10% fully compulsorily convertible debentures ("FCCDs") of INR 100 each held by AAPC Singapore Pte. Limited.	-	-	-	-	204.66
b) Fully Compulsory Convertible Debentures (unsecured)					
30 June 2019: 1,260,000; 30 June 2018: 1,260,000; 31 March 2019: 1,260,000; 31 March 2018: 1,260,000; 31 March 2017: 1,260,000 8.5 % Fully Compulsory Convertible Debentures (FCCD) of INR 1,000 each held by International Finance Corporation (IFC) ^	1,862.48	1,716.58	1,823.84	1,680.95	1,549.27
c) Optionally convertible redeemable debentures (OCRD) (unsecured)					
30 June 2019: 6,726,394; 30 June 2018: 6,726,394; 31 March 2019: 6,726,394; 31 March 2018: 6,726,394; 31 March 2017: 6,726,394 OCRDs of INR 100 each held by Vascon Engineers Limited	165.52	148.24	161.21	143.93	128.51
d) From bank					
Term loans (secured)	6,971.05	10,358.03	6,662.44	11,619.67	8,522.02
Bullet loan (secured) #	483.66	442.82	472.92	432.99	396.42
Vehicle loans (secured)	10.46	0.92	10.83	1.04	1.48
Less: Interest accrued and due on borrowings (refer note 24)	(10.53)	(52.16)	(21.25)	(48.33)	(43.32)
Less: Current maturities of long term borrowings (refer note 24)	(131.79)	(238.52)	(145.82)	(311.03)	(173.09)
	7,322.85	10,511.09	6,979.12	11,694.34	8,703.51
e) From financial institutions (secured)					
Term loan *	10,221.20	4,588.94	9,930.49	2,331.95	1,387.68
Revolving credit facility **	675.39	-	564.31	-	-
Bullet loan ***	527.40	502.27	520.93	496.12	472.48
Less: Current maturities of long term borrowings	(63.00)	(35.00)	(56.00)	(28.00)	-
	11,360.99	5,056.21	10,959.73	2,800.07	1,860.16
	20,711.84	**17,432.12**	**19,923.90**	**16,319.29**	**12,446.11**

^ including interest accrued but not due on IFC FCCDs amounting to 30 June 2019: INR 602.48; 30 June 2018: INR 456.58; 31 March 2019: INR 563.84; 31 March 2018: INR 420.96; 31 March 2017: INR 289.27
# including interest accrued but not due on bullet loan from bank amounting to 30 June 2019: INR 125.16; 30 June 2018: INR 84.32; 31 March 2019: INR 114.42; 31 March 2018: INR 74.49; 31 March 2017: INR 37.92
* including interest accrued but not due on term loan from financial institution amounting to INR 30 June 2019: INR 378.23; 30 June 2018: INR Nil; 31 March 2019: INR 302.86; 31 March 2018: INR Nil; 31 March 2017: INR Nil
** including interest accrued but not due on revolving credit facility from financial institution facility amounting to 30 June 2019: INR 38.12; 30 June 2018: INR Nil; 31 March 2019: INR 31.29; 31 March 2018: INR Nil; 31 March 2017: INR Nil
*** including interest accrued but not due on bullet loan from institution amounting to 30 June 2019: INR 80.90; 30 June 2018: INR 55.77; 31 March 2019: INR 74.44; 31 March 2018: INR 49.62; 31 March 2017: INR 25.98.

Refer note 39 for terms and conditions in respect of non-current borrowings.
Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 46.

Movement of FCCDs issued by Barque	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018 *	As at 31 March 2017
Total proceeds	-	-	-	-	612.27
Less: Equity component on initial recognition	-	-	-	-	(426.06)
Liability component	**-**	**-**	**-**	**-**	**186.21**
Less: Liability component reversed on conversion of FCCDs	-	-	-	-	(179.20)
Add: Interest expense accretion	-	-	-	-	197.65
Closing balance of liability component	-	-	**-**	**-**	**204.66**
Equity component on initial recognition	-	-	-	-	426.06
Less: Tax impact	-	-	-	-	(131.65)
Equity component (net of tax)	**-**	**-**	**-**	**-**	**294.41**

* The holding company has acquired the non-controlling interest and debentures of Barque Hotels Private Limited as per details mentioned in Note 52.

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
19 Non-current financial liabilities - Others					
Lease liability	560.77	533.08	570.54	540.06	242.35
Security deposit received	21.16	-	20.60	-	-
	581.93	**533.08**	**591.14**	**540.06**	**242.35**
20 Non-current provisions					
Provision for employee benefits					
Gratuity (refer note 40)	31.56	29.12	30.13	27.94	20.49
Compensated absences (refer note 40)	29.53	27.29	29.20	25.43	17.87
Decommissioning liability *	0.95	0.84	0.92	0.82	0.66
	62.04	**57.25**	**60.25**	**54.19**	**39.02**

*** Movement in provision for decommissioning liability**

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	0.92	0.82	0.82	0.66	0.59
Provisions made during the year/period	0.03	0.02	0.10	0.16	0.07
Provisions utilised during the year/period	-	-	-	-	-
Closing balance	**0.95**	**0.84**	**0.92**	**0.82**	**0.66**

A provision has been recognised for decommissioning liability associated with office premises taken on operating lease. As per the lease agreement, the Group is required to restore the office premises to the original condition.

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
21 Other non-current liabilities					
Income received in advance	162.53	68.93	164.64	69.73	72.93
Deferred government grant*	-	-	-	3.92	-
Unamortised premium on OCRDs #	182.24	184.44	182.80	184.98	186.78
Lease equalisation reserve	9.44	9.79	9.53	9.87	-
Advance rental	10.17	-	10.89	-	-
	364.38	**263.16**	**367.86**	**268.50**	**259.71**

*Represents government assistance received under the Export Promotion Capital Goods Scheme of the Government of India in the form of custom duty exemption on import of capital equipment for use in its hotel project. Under the Scheme, respective companies are required to discharge the obligation over a period of next six years. The deferred revenue is released to profit or loss in ratio of fulfilment of associated export obligations. The Group has recognised income of 30 June 2019: INR Nil; 30 June 2018: INR Nil; 31 March 2019: INR 18.27; 31 March 2018: INR 24.82; 31 March 2017: INR 164.07 under this scheme during the year.

 # Unamortised premium on OCRDs: (Also refer note 39c)
The difference between the fair value at initial recognition (the transaction price) and the value that would have been derived had valuation techniques been applied at initial recognition, less subsequent releases, is as follows:

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Unamortised balance at the beginning of the year/period	184.98	186.78	186.78	188.26	189.46
Amortisation recognised in income statement	0.45	0.45	1.80	1.48	1.20
Unamortised balance at the end of the year/period	**184.53**	**186.33**	**184.98**	**186.78**	**188.26**
Non-current portion	182.24	184.44	182.80	184.98	186.78
Current portion	2.29	1.89	2.18	1.80	1.48

(All amounts in Rupees millions, unless otherwise stated,

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
22 Current financial liabilities - Borrowings					
Loans repayable on demand					
Cash credit and overdraft facilities from bank (secured) (refer 'a' below	309.48	843.73	534.71	1,332.34	350.25
Loan from EHIS (unsecured) (refer 'b' below)	-	-	-	-	105.48
Buyer's line of credit from banks (secured) (refer 'c' below	-	-	-	-	9.86
Others (unsecured)					
Loan from others (unsecured) (refer 'd' below)	22.50	22.50	22.50	22.50	22.50
	331.98	**866.23**	**557.21**	**1,354.84**	**488.09**

a) Cash credit and overdraft facilities from bank

Particulars	Carrying Rate of Interest					Repayment/Modification of Terms	Security Details
	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017		
Yes Bank	NA	12.35%	12.35%	11.50%	11.50%	Repayable on demand.	This is secured by exclusive charge on all present and future immovable, movable fixed assets, current assets of property, and receivables. Property - Fairfield Golden Heights Bangalore
Kotak Mahindra Bank	NA	Interest rate of interest on fixed deposit plus 1.50 % p.a. i.e. 7.85% p.a.	NA	Interest rate of interest on fixed deposit plus 1.50 % p.a. i.e. 7.85% p.a.	NA	Repayable on demand.	This is secured by pledge of fixed deposits by the Holding Company.
IndusInd Bank	10.05%	NA	NA	NA	NA	Repayable on demand.	This is secured by exclusive charge on all present and future immovable, movable fixed assets, current assets of property, and receivables.
Axis Bank	NA	1 M MCLR + 3.35% p.a. i.e. 11.25% p.a.	NA	1 M MCLR + 3.35% p.a. i.e. 11.25% p.a.	1 M MCLR + 3.35% p.a. i.e. 11.50% p.a.	Repayable on demand.	i. First charge on current assets of the project (Courtyard & Fairfield by Marriott, Bangalore) ii. Second charge by way of equitable mortgage on the project and hotel land area iii. Second charge by way of Hypothecation on the entire movable fixed assets of the project both present and future
Kotak Mahindra Bank	NA	NA	NA	NA	7.35%	Repayable on demand.	These are secured by margin money provided by the holding company in form of fixed deposits pledged with bank.
HDFC Bank	NA	Interest on FD + 1% or base rate, whichever is higher i.e. 7.25%	NA	Interest on FD + 1% or base rate, whichever is higher i.e. 7.25%	Interest on FD + 1% or base rate, whichever is higher i.e. 7.25%	Repayable on demand.	The facility is secured by margin money provided by the holding company in form of fixed deposits pledged with bank.
Kotak Mahindra Bank	NA	Interest on FD + 1% or base rate, whichever is higher i.e.	NA	Interest on FD + 1% or base rate, whichever is higher i.e. 7.25%	Interest on FD + 1% or base rate, whichever is higher i.e. 7.25%	Repayable on demand.	The facility is secured by margin money provided by the holding company in form of fixed deposits pledged with bank.
Yes Bank	NA	11.10%	NA	11.50%	11.50%	Repayable on demand.	The facility is secured by exclusive charge on all present and future immovable, moveable fixed assets, current assets of property, and receivables. Property - Sheraton Hyderabad
Standard Chartered Bank	MCLR plus margin of 1.65% i.e. 10.70% p.a.	MCLR plus margin of 1.65% i.e. 10.15% p.a.	MCLR plus margin of 1.65% i.e. 10.55% p.a.	MCLR plus margin of 1.65% i.e. 10.15% p.a.	NA	Repayable on demand.	Secured by first exclusive charge over the hotel asset (Four Points by Sheraton, Ahmedabad (both Immovable property and movable fixed assets) and charge on current and future receivables and cash flows of the hotel. The holding company has provided a cash shortfall undertaking.
IndusInd Bank	9.65%	NA	9.50%	NA	NA	Repayable on demand.	Secured by: (a) First charge on all immovable fixed assets of the Hotel (Hyatt Place, Gurgaon) (b) First charge on all movable fixed assets of the Hotel (c) First charge on all current assets of the Hotel (d) First charge on all the cash flows of the Hotel to be routed through IndusInd Account of the Hotel (e) Non disposal undertaking for 100% equity share capital from the promoters.
Yes Bank	NA	11.61%	NA	11.61%	11.61%	Repayable on demand.	Secured by (a) First Pari Passu charge on all immoveable and moveable property, plant & equipment of the project including land and building, (b) First Pari Passu charge on current assets of the Project. Property - Hyatt Place, Gurgaon
HDFC Bank	1 year MCLR plus 135bps i.e. 10.05%	1 year MCLR plus 135bps i.e. 9.45%	1 year MCLR plus 135bps i.e. 10.05%	1 year MCLR plus 135bps i.e. 9.45%	NA	Repayable on demand.	Secured by an exclusive charge over : (i) Movable fixed assets of the hotel. (Four Points By Sheraton, Visakhapatnam) (ii) Current assets of the hotel (iii) Immovable assets of the hotel . (iv) First exclusive pari passu charges over Escrow account.
State Bank of India	MCLR plus 2.75% i.e. 11.30%	MCLR plus 2.55% i.e. 11.05%	MCLR plus 2.55% i.e. 11.05%	MCLR plus 2.55% i.e. 10.75%	NA	Repayable on demand.	Secured by first charge by the way of: (i). First charge by the way of equitable mortgage on the project entire fixed assets of the project Hotel land Area & Hotel Building. (Fairfields Hotel, Coimbatore) (ii). First charge by the way of hypothecation on the entire moveable fixed assets of the hotel. (iii). First charge on all the monies lying in the designated account, all project revenues and insurance proceeds of the hotel. '(iv). First charge over all the rights, titles, benefits, claims and demands of borrower under project contracts. '(v). Pledge of shares to the extent of 30% of the total paid up equity share capital of CASPIA held by the Holding Company. '(vi). Non-disposal undertaking from the Holding Company to the extent of 51% of paid-up share capital of CASPIA. '(vii). Project shortfall undertaking by the Holding

b) Loan from EHIS (unsecured)
Represents borrowings taken from Economy Hotels India Services Private Limited carrying interest @11.64% p.a. (31 March 2017 - 11.64% p.a.). These have been repaid in the year ended 31 March 2018

c) Buyer's line of credit from banks
SAMHI Hotels Ahmedabad Private Limited has availed Buyers credit facility from Yes Bank with same security as mentioned in Note 39. It is in foreign currency and carries interest ranging between 0.75% to 3% p.a., payable with repayment of the principal amount. It is available for a maximum tenor of 360 days.

d) Loan from others (unsecured)
Represents interest free loans repayable on demand

(All amounts in Rupees millions, unless otherwise stated)

		As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
23	**Current financial liabilities - Trade payables**					
	Trade payables					
	- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	573.10	416.24	546.94	487.12	311.63
		573.10	**416.24**	**546.94**	**487.12**	**311.63**

a) Refer note 51 for Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)
b) The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 46.
c) Refer note 41 for related party balances

		As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
24	**Current financial liabilities - Others**					
	Current maturities of long-term borrowings (refer note 18)	194.79	273.52	201.82	339.03	173.09
	Interest accrued and due on borrowings (refer note 18)	10.53	52.16	21.25	48.33	43.32
	Lease liability	43.04	38.13	44.50	40.40	21.15
	Interest accrued but not due on borrowings	-	-	-	-	0.17
	Payable for capital assets	93.73	301.05	271.61	332.66	121.73
	Employee related payables	64.01	42.31	99.86	41.61	43.07
	Book overdraft	3.85	8.53	-	2.84	-
	Security deposits received	1.36	1.92	1.27	2.12	2.99
	Interest rate swaps (refer note 46)	-	4.34	-	8.34	46.84
		411.31	**721.96**	**640.31**	**815.33**	**452.36**
25	**Other current liabilities**					
	Advance from customers	69.14	63.11	68.21	54.49	31.51
	Income received in advance	8.44	3.20	8.44	3.20	3.20
	Statutory dues payable	259.64	184.59	257.71	197.43	102.50
	Deferred government grant*	19.62	32.14	24.71	8.58	23.59
	Lease equalisation reserve	0.34	0.34	0.34	0.34	-
	Unamortised premium on OCRDs (refer note 21)	2.29	1.89	2.18	1.80	1.48
	Advance rental	2.86	-	2.86	-	-
	Other payables	-	-	-	-	0.81
		362.33	**285.27**	**364.45**	**265.84**	**163.09**

*Represents government assistance received under the Export Promotion Capital Goods Scheme of the Government of India in the form of custom duty exemption on import of capital equipment for use in its hotel projects. Under the Scheme, the Group is required to discharge the obligation over a period of next six years. The deferred revenue is released to profit or loss in ratio of fulfilment of associated export obligations. The Group has recognised income of 30 June 2019: INR 5.09; 30 June 2018: INR 2.73; 31 March 2019: INR 18.27; 31 March 2018: INR 24.82; 31 March 2017: INR 164.07 under this scheme during the year.

		As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
26	**Current provisions**					
	Provision for employee benefits					
	Gratuity (refer note 40)	0.35	0.82	0.52	0.85	0.28
	Compensated absences (refer note 40)	1.97	1.69	2.04	1.56	1.38
	Provision for income-tax case	2.88	2.88	2.88	-	-
		5.20	**5.39**	**5.44**	**2.41**	**1.66**
27	**Income tax liability (net)**					
	Provision for income tax	20.07	-	15.56	-	-
		20.07	**-**	**15.56**	**-**	**-**

(All amounts in Rupees millions, unless otherwise stated)

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
28 Revenue from operations					
Sale of services					
- Room revenue	947.69	565.39	3,016.84	2,621.31	2,128.20
- Food and beverage revenue	410.81	305.89	1,462.27	1,122.41	941.72
- Recreation and other services	62.72	42.90	209.14	168.54	156.86
	1,421.22	**914.18**	**4,688.25**	**3,912.26**	**3,226.78**
Other operating revenues					
- Property management and space rental	9.01	2.31	19.44	11.63	5.53
	9.01	**2.31**	**19.44**	**11.63**	**5.53**
	1,430.23	**916.49**	**4,707.69**	**3,923.89**	**3,232.31**

For the purposes of restated consolidated financial information, the Group has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18 w.e.f 1 April 2016. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.
The Group has opted for the cumulative effect method (modified retrospective application) permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31 March 2017 only (i.e. the initial application period). This method requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1 April 2016 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.
Also the Group has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)
Prior to adoption of IND AS 115, the Group's revenue was primarily comprised of Revenue from Hotel operations. The recognition of these revenue streams is largely unchanged by Ind AS 115.

Contract Balances
The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered. Advance collection is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services.
The contract assets primarily relate to excess of revenue over invoicing (i.e. unbilled revenue).

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Contract liabilities					
- Advance from customers	69.14	63.11	68.21	54.49	31.51
- Income received in advance	170.97	72.13	173.08	72.93	76.13
Contract assets					
- Unbilled revenue	81.37	46.09	67.50	44.45	39.85

Note: Considering the nature of business of the Group, the above contract liabilities are generally materialised as revenue and contract assets are converted into cash/trade receivables within the same operating cycle.

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
29 Other income					
Interest income from financial assets at amortised cost					
- on bank deposits	5.60	14.23	32.27	74.47	39.35
- on security deposits	0.16	0.16	0.64	0.69	0.69
- on others	0.76	0.76	3.03	3.03	3.03
Amortisation of income received in advance	2.11	1.23	4.51	3.20	2.74
Interest on income tax refund	2.96	1.65	1.65	4.37	3.29
Provisions/ liabilities no longer required written back	0.02	9.38	11.93	13.30	13.67
Rental income	0.87	0.64	1.98	4.03	4.47
Lease income	1.03	-	1.64	-	-
Unwinding of discount on security deposits	1.44	1.43	6.15	4.99	4.99
Gain on fair valuation of derivative component of FCCDs (refer note 4)	0.11	0.11	0.43	-	3.40
Net gain on foreign exchange transactions	-	-	-	4.42	1.01
Profit on redemption of mutual funds	2.43	3.25	16.98	35.89	87.23
Net gain on fair valuation of investment in mutual funds	-	4.62	8.72	8.17	6.34
Government grant	24.37	16.48	94.30	99.48	164.07
Gain on sale of property, plant and equipment *	-	-	-	12.91	-
Miscellaneous income	0.34	1.23	9.06	8.79	5.11
	42.20	**55.17**	**193.29**	**277.74**	**339.39**

* net of compensation paid amounting to 30 June 2019: INR Nil; 30 June 2018: INR Nil; 31 March 2019: INR Nil; 31 March 2018: INR 58.00; 31 March 2017: INR Nil.

30 Cost of materials consumed					
Consumption of food and beverages					
Inventory at the beginning of the year	44.42	33.55	33.55	30.72	24.56
Add: Acquisition adjustment (refer note 48)	-	-	-	2.29	-
Add: Purchases	125.55	89.22	437.76	366.25	314.20
Inventory at the end of the year	(42.06)	(35.08)	(44.42)	(33.55)	(30.72)
	127.91	**87.69**	**426.89**	**365.71**	**308.04**

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
31 Purchases of stock-in-trade					
Traded goods	-	-	-	-	0.55
	-	**-**	**-**	**-**	**0.55**
32 Changes in inventories of stock-in-trade					
Opening inventory	-	0.39	0.39	0.52	-
Closing inventory	-	-	-	0.39	0.52
(Increase)/ decrease in inventory	**-**	**0.39**	**0.39**	**0.13**	**(0.52)**
33 Employee benefit expense					
Salaries, wages and bonus	270.54	214.36	936.24	768.58	654.49
Contribution to provident fund and other funds [refer note 40 and 42(viii)]	17.00	18.29	82.30	50.27	39.84
Compensated absences (refer note 40)	6.45	3.65	14.87	14.95	10.22
Gratuity expense (refer note 40)	3.28	3.17	12.86	10.33	8.47
Share based payments (refer note 53)	0.42	1.27	4.03	14.88	58.23
Staff welfare expenses	37.77	28.61	124.51	80.34	88.16
Less: Transferred to capital work-in-progress	(0.43)	(2.99)	(7.35)	(24.67)	(9.90)
	335.03	**266.36**	**1,167.46**	**914.68**	**849.51**

(All amounts in Rupees millions, unless otherwise stated)

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
34 Finance costs					
Interest expense on financial liabilities carried at amortised cost					
- Loans from banks and institutions *	546.66	500.92	1,995.17	1,549.45	1,155.49
- Vehicle loan	0.26	0.02	0.25	0.13	0.10
- On security deposit received	0.56	0.73	0.73	-	-
- FCCDs issued to IFC	38.65	35.62	142.88	131.69	121.37
- FCCDs issued by Barque	-	-	-	-	42.67
- OCRDs (refer note 39) **	3.87	3.86	15.47	13.94	12.57
- Loans from others	-	-	-	6.09	5.53
Interest expense on delay in deposit of statutory dues	0.04	0.10	1.73	0.49	-
Exchange difference regarded as adjustment to borrowing costs	-	9.25	12.43	(2.09)	(44.02)
Unwinding of discount on asset retirement obligation	0.03	0.02	0.10	0.09	0.07
Other finance cost	19.44	6.29	110.07	43.79	19.80
Interest expense on lease liability	15.28	14.44	59.77	45.66	26.71
Less: Transferred to capital work-in-progress	-	(13.96)	(82.51)	(84.59)	(124.15)
	624.79	**557.29**	**2,256.09**	**1,704.65**	**1,216.14**

* net of interest income on loan funds amounting to 30 June 2019: INR 6.94; 30 June 2018: INR 7.41; 31 March 2019: INR 14.44; 31 March 2018: INR 15.29; 31 March 2017: INR 18.21
** net of amortisation of premium on OCRDs amounting to 30 June 2019: INR 0.45; 30 June 2018: INR 0.45; 31 March 2019: INR 1.80; 31 March 2018: INR 1.48; 31 March 2017: INR 1.20

35 Depreciation and amortisation expense					
Depreciation on property, plant and equipment	309.32	669.63	1,571.50	1,128.43	1,015.51
Amortisation of intangible assets	6.79	5.63	27.18	16.50	13.76
Less: transfer to exceptional items (refer note 37)	-	(375.91)	(375.91)	-	-
	316.11	**299.35**	**1,222.77**	**1,144.93**	**1,029.27**

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
36 Other expenses					
Rates and taxes	32.95	35.00	151.76	140.00	100.70
Consumption of stores and supplies	34.30	27.06	112.50	91.62	92.34
Bank charges	0.35	0.33	1.45	2.41	2.68
Linen and uniforms	5.65	4.35	18.25	20.39	19.23
Management and incentive fees	61.12	34.20	209.24	142.93	115.91
Commission	42.63	25.52	167.85	161.98	117.76
Communication	27.61	13.44	70.70	58.81	45.28
Training expenses	3.49	0.72	7.42	7.27	7.26
Rent (refer note 50)	6.90	7.41	32.20	32.40	32.46
Power, fuel and water	146.64	112.90	460.70	402.69	370.08
Repair and maintenance					
- Building	16.88	19.32	69.93	80.28	53.11
- Machinery	24.82	18.62	80.74	58.62	53.27
- Others	19.70	9.23	58.87	47.87	41.71
Insurance	6.89	5.65	24.04	25.18	26.34
Travelling and conveyance	27.01	18.52	91.08	69.91	63.54
Guest transportation	9.32	6.43	45.21	20.26	20.45
Car hire charges	6.76	4.76	21.00	18.95	21.66
Allowance for doubtful trade receivables	4.25	4.37	6.28	2.50	0.72
Bad debts written off	0.11	-	3.98	1.65	0.07
Hotel running expenses	20.32	6.42	44.83	39.27	29.51
Legal and professional fees	59.02	49.06	161.91	167.53	139.67
Contractual labour	27.31	22.68	112.74	107.79	85.04
Payment to auditors *	3.62	4.07	14.48	16.27	9.26
General administration expenses	8.91	6.16	35.66	16.35	19.12
Advertisement and business promotion	48.21	37.04	184.49	170.33	145.93
Loss on foreign exchange fluctuation (net)	1.19	35.40	43.75	-	4.12
Loss on impairment of assets (refer note 54)	-	-	-	181.15	-
Printing and stationery	2.71	1.56	7.68	7.80	7.82
Loss on fair valuation of derivative component of FCCD	-	-	-	1.04	-
Intangible assets written off	-	5.47	5.47	-	-
Loss on disposal of property, plant and equipment (net)	0.02	2.28	1.57	-	-
Miscellaneous expenses	13.12	8.68	30.17	32.27	22.94
Less: Transferred to capital work-in-progress	-	(24.75)	(52.57)	(23.38)	(14.85)
	661.81	**501.90**	**2,223.38**	**2,102.14**	**1,633.13**
*** Payment to auditors**					
Statutory audit	3.15	3.29	12.60	13.15	7.70
Tax audit	0.24	0.24	0.95	0.95	0.80
Reimbursement of expenses	0.19	0.11	0.77	0.45	0.64
Other services	0.04	0.43	0.16	1.72	0.12
	3.62	**4.07**	**14.48**	**16.27**	**9.26**
37 Exceptional items					
Loss on sale of property, plant and equipment	-	119.82	119.82	-	-
Loss on reclassification of asset held for sale (refer note 1)	-	-	138.15	-	-
Accelerated depreciation on rebranding (refer note 1)	-	375.91	375.91	-	-
	-	**495.73**	**633.88**	**-**	**-**
38 Earnings per share (EPS)					
Net loss available to equity shareholders	(586.42)	(1,254.19)	(3,034.14)	(1,855.56)	(1,202.19)
Weighted average number of equity shares for calculation of basic EPS #	74,896,690	74,896,690	74,896,690	74,896,690	74,896,690
Weighted average number of equity shares for calculation of diluted EPS* #	74,896,690	74,896,690	74,896,690	74,896,690	74,896,690
Nominal value of equity share (INR)	1	1	1	1	1
Basic earning per share (INR)	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)
Diluted earning per share (INR)	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)

* The outstanding potential equity shares have an anti-dilutive effect on EPS. Hence, the same have not been considered for calculation of Diluted earnings per share.
# Also refer note 55

39 Terms and conditions in respect of long-term borrowings

a) Fully Compulsory Convertible Debentures (unsecured)

As per the terms of the debenture deed between Barque Hotels Private Limited (Barque) and AAPC Singapore Pte Ltd, no interest will accrue to the debenture holders till 27 September 2017 from the date of allotment. The FCCDs will be compulsorily and mandatorily convertible into equity shares of Barque within a period of 12-20 years from the date of allotment. Holders of FCCD are entitled to convert all the FCCD into equity shares at any time within 15 days giving notice to Barque as per following conversion terms.

Conversion Terms	Number of debentures as at 30 June 2019	Number of debentures as at 30 June 2018	Number of debentures as at 31 March 2019	Number of debentures as at 31 March 2018 *	Number of debentures as at 31 March 2017	Date of allotment
Conversion at the rate of 1:1 i.e for every FCCD of INR 100 each, 1 equity share of INR 10 shall be issued at a premium of INR 90.	-	-	-	-	1,215,490	24 September 2009
	-	-	-	-	1,252,100	6 July 2010
	-	-	-	-	864,000	18 November 2011
Total	-	-	-	-	**3,331,590**	

* The holding company has acquired the FCCDs during the year ended 31 March 2018. Also refer note 52.

b) IFC FCCDs

As per the debenture agreement dated 12 August 2014 between the Group and IFC (International Financial Corporation), each debenture must be mandatorily converted on liquidity event or maturity date whichever is earlier. Further, IFC also has a right of voluntary conversion upon giving notice to the Group within maturity date. Conversion ratio will be as provided under the Subscription Agreement. The Interest shall accrue for a period of the first thirty six (36) months from the date of the IFC Subscription and shall be compounded on an annual basis until such interest has been paid by the Group to IFC. In any event the entire interest shall be paid to IFC prior to the seventh anniversary of the IFC Subscription date. Also refer note 4 for derivative component of IFC FCCDs.

c) Optionally convertible redeemable debentures (OCRDs)

Ascent Hotels Private Limited (Ascent) issued 6,726,394 OCRDs with a face value of Rs. 10 each at a premium of Rs. 35.23 each in March 2016 to Vascon Engineers Limited

Redemption -

(i) The OCRDs are redeemable on 1 April 2036.

(ii) The OCRDs are redeemable for an amount equivalent to the fair market value of such number of equity shares as are equivalent to 1.43 times the number of OCRDs in case Ascent achieves the target of EBITDA of INR 70 Crores in any financial year prior to 1st April , 2036, or

(iii) The OCRDs are redeemable for an amount equivalent to the fair market value of such number of equity shares as are equivalent to the number of OCRDs in case Ascent does not achieve the target of EBITDA of INR 70 Crores in any financial year prior to 1st April, 2036.

Conversion -

(i) The OCRDs can be converted at the option of the subscriber at any time after 1st April 2021.

(ii) The OCRDs will be converted into equity shares in the ratio of 1:1.43 in case Ascent achieves the target of EBITDA of INR 70 Crores in any financial year prior to date of exercise of option to convert.

(iii) In any other case, the OCRDs will be converted into equity shares in the ratio of 1:1.

The effective interest rate on OCRDs is 12% per annum.

	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017
Proceeds from issue of OCRDs (Fair value at initial recognition)	304.20	304.20	304.20	304.20	304.20
Less: Derived fair value of OCRDs *	(114.74)	(114.74)	(114.74)	(114.74)	(114.74)
Unamortised premium on OCRDs	**189.46**	**189.46**	**189.46**	**189.46**	**189.46**
Derived fair value of OCRDs	114.74	114.74	114.74	114.74	114.74
Add: Interest expense accretion	50.78	33.50	46.46	29.19	13.77
OCRDs recognised as borrowings	**165.52**	**148.24**	**161.21**	**143.93**	**128.51**

* The derived fair value has been calculated based on the present value of expected cashflows/ convertible value of OCRDs on maturity (Level 3). Significant unobservable inputs for measurement of fair value include EBITDA multiple, EBITDA growth rate and discount rate.
Also refer note 2 [Point 4(i)] of Annexure V – Basis of Preparation and Significant Accounting Policies.

d) Loans from banks and institutions:

Particulars	Sanctioned Amount (INR Millions)	Carrying Rate of Interest					Repayment/Modification of Terms	Security Details
		As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017		
Term Loans from Banks								
Yes Bank	665.00	NA	Base Rate + 1.50% i.e. 11.35%	Base Rate + 1.50% i.e. 11.35%	Base Rate + 1.50% i.e. 10.35%	Base Rate + 1.50% i.e. 10.61%	The loan amount is repayable in 52 quarterly instalments commencing from 28 February 2018 till 30 November 2030.	Term loan from bank is secured by exclusive charge on all present and future immovable, movable fixed assets, current assets of property i.e. Fairfield by Marriott hotel, Rajaji Nagar, Bengaluru.
Standard Chartered Bank	1,550.00	MCLR plus margin currently 11.80%. At the first instance, the applicable 12 month MCLR shall apply. Thereafter, the Borrower and the Lender mutually agreed to reset the MCLR to the 1 month, 3 months, 6 months or 12 months rate	MCLR plus margin currently 11.80%. At the first instance, the applicable 12 month MCLR shall apply. Thereafter, the Borrower and the Lender mutually agreed to reset the MCLR to the 1 month, 3 months, 6 months or 12 months rate	MCLR plus margin currently 11.80%. At the first instance, the applicable 12 month MCLR shall apply. Thereafter, the Borrower and the Lender mutually agreed to reset the MCLR to the 1 month, 3 months, 6 months or 12 months rate	MCLR plus margin currently 11.00%. At the first instance, the applicable 12 month MCLR shall apply. Thereafter, the Borrower and the Lender mutually agreed to reset the MCLR to the 1 month, 3 months, 6 months or 12 months rate	NA	The entire loan is repayable after three years from date of disbursement. The loan was disbursed in August 2017.	Term loan from bank is secured with a first pari passu charge by way of mortgage of the hotel properties of subsidiary (Argon Hotel Private Limited) and development rights, thereto and of the receivables, moveable assets of the hotel properties owned or taken on leases by the Subsidiary.
Jammu & Kashmir Bank	640.60	NA	MCLR + 2.05% i.e. 10.85%	MCLR + 2.05% i.e. 10.85%	MCLR + 2.05% i.e. 10.95%	NA	The loan is repayable in 44 structured quarterly installments starting after 1 year from commercial operation date. Further, the Group shall maintain DSRA equivalent to one quarter principal and interest repayment due in the form of fixed deposit duly lien marked in favor of the bank.	Term loan from bank is secured by first charge by mortgage on land, movable fixed assets, both present and future and current asset of hotel property (Fairfield by Marriott, Sriperumbudur)
Indusind Bank Limited	1,590.00	MCLR plus 0.2% i.e. 10.05% p.a.	NA	NA	NA	NA	The loan is repayable in 56 structured quarterly installments commencing from 30 June 2020 till 31 March 2034	Term loan from bank is secured by: 1. First charge on all immovable fixed assets of Fairfield by Marriott Bengaluru Rajajinagar and Fairfield by Marriott, Sriperumbudur (Hotels). 2. First charge on all movable fixed assets of the Hotels, both present and future. 3. First charge on all current assets of the Hotels both present and future. 4. First charge on all the cash flows of the Hotels both present and future. 5. Cross collateralization of all assets and cash flows of hotels. Further, the Company shall maintain DSRA equivalent to one quarter principal and interest repayment due in the form of fixed deposit duly lien marked in favor of the bank.
ICICI Bank	2,550.00	NA	NA	NA	Bank's base rate + 2.29% per annum, which is 11.14%	Bank's base rate + 2.29% per annum, which is 11.54%	The loan is repayable in quarterly installments commencing from 15 October 2016 with the final maturity date being 52 quarters from the first drawdown date of each tranche.	First pari passu charge on all the movable and immovable assets of projects (hotels) of the Barque Hotels Private Limited and Paulmech Hospitality Private Limited, including freehold land; over Escrow account of the projects (Hotels); over DSRA for the project; on borrower's right, titles and interest in all its project documents/ contracts/ licenses including insurance contracts in favour of Barque Hotels Private Limited. Pledge over shares held and owned by SAMHI Hotels Limited of Barque Hotels Private Limited, upto percentage of the paid up share capital as permissible under law, subject to maximum of 30%.
DBS Bank Limited	358.50	9.20%	9.20%	9.20%	9.20%	9.20%	The loan amount is repayable by bullet payment after 6 years from the date of first disbursement (12 February 2016).	Bullet loans from banks is secured by way of: (i) Registered mortgage creating second charge over the immovable fixed assets of Hyatt Regency, Pune (including the hotel property and land) both present and future. (ii) Charge by way of hypothecation creating second charge over entire movable fixed assets and the current assets. (iii) Charge by way of a pledge over shares of Ascent. (iv) Corporate Guarantee by SAMHI Hotels Limited (Holding Company)
Axis Bank (Term loan of INR 1,860.00 funded by Axis Bank. Axis bank has downsold an amount of INR 600.00 to HDFC Bank and INR 510.00 to Indusind Bank)	750.00	NA	For loan upto INR 750 mn is Axis Bank's 1 year MCLR + spread of 0.75% for first 24 months i.e. 9.15% p.a. For period after 24 months, spread will be reset to 1.75% p.a. The rate of interest for Axis Bank over and above INR 750 mn is Axis Bank's 1 year MCLR + spread of 1.75% p.a. i.e. 10.15% p.a.	NA	For loan upto INR 750 mn is Axis Bank's 1 year MCLR + spread of 0.75% for first 24 months i.e. 9% p.a. For period after 24 months, spread will be reset to 1.75% p.a. The rate of interest for Axis Bank over and above INR 750 mn is Axis Bank's 1 year MCLR + spread of 1.75% p.a. i.e. 10% p.a.	NA	The loan amount is repayable in 45 unequal quarterly instalments starting 31 March 2018.	Term loans from banks are secured by : (i) First pari - passu charge by way of mortgage on Land and Building, Property, present and future; (ii) First pari - passu charge of by the way of Hypothecation on the entire moveable fixed assets of the project, present and future. (iii) First pari - passu charge on the Debt Service Reserve Account (DSRA) equivalent to 1 quarter interest and principal due: (iv) First pari - passu charge by way of hypothecation of the entire current asset of SAMHI JV (v) Hypothecation/Assignment of all the rights, titles ,benefits , claims and demands of SAMHI JV under project contracts Property - Courtyard and Fairfield by Marriott, Bangalore
HDFC Bank (Term loan of INR 1,860.00 funded by Axis Bank. Axis bank has downsold an amount of INR 600.00 to HDFC Bank and INR 510.00 to Indusind Bank)	600.00	NA	HDFC Bank's 1 year MCLR + spread of 1.85% payable monthly i.e. 10% p.a.	NA	HDFC Bank's 1 year MCLR + spread of 1.85% payable monthly i.e. 10% p.a.	NA		

(All amounts in Rupees millions, unless otherwise stated)

Indusind Bank (Term loan of INR 1,860.00 funded by Axis Bank. Axis bank has downsold an amount of INR 600.00 to HDFC Bank and INR 510.00 to Indusind Bank)	510.00	NA	Indusind Bank's 1 year MCLR + spread of 0.15% for first 24 months i.e. 9% p.a. For period after 24 months, spread will be reset to 1.15% p.a.	NA	Indusind Bank's 1 year MCLR + spread of 0.15% for first 24 months i.e. 9% p.a. For period after 24 months, spread will be reset to 1.15% p.a.	NA		
Punjab National Bank (The term loan availed is funded by consortium of bankers with Punjab National Bank as the lead banker)	750.00	NA	NA	NA	NA	The rate of interest during current financial year is 1.80% in addition to the lead bank's MCLR rate (5 year MCLR) of 9.55%. The effective interest rate was 11.35%	The loan amount is repayable in 35 quarterly instalments starting after one year of the commercial operation date (COD) i.e. December 2015.	Term loans from banks are secured by first pari passu charge in favour of the Banks, by way of: (i) A first charge by way of equitable mortgage on the land underneath the Hotel (Project) measuring 1.70 Acres situated at Devarabeensanahalli Village, Bangalore together with superstructure built thereupon and easementary rights thereto; (ii) A first charge by way of hypothecation on entire moveable property, plant & equipment of the Project both present and future. (iii) A first charge on current assets of the Project subject to charges created/to be created in favour of the working capital lenders; (iv) A first charge on the DSRA balance; (v) A first charge by way of hypothecation of all monies lying in the designed Escrow Account. (vi) A first charge by way of hypothecation/ assignment of all rights, title, benefits, claims and demands of SAMHI JV under Project Documents. Hotel - Courtyard and Fairfield by Marriott, Bangalore
Andhra Bank (The term loan availed is funded by consortium of bankers with Punjab National Bank as the lead banker)	530.00	NA	NA	NA				
J&K Bank (The term loan availed is funded by consortium of bankers with Punjab National Bank as the lead banker)	360.00	NA	NA	NA				
Axis Bank (The term loan availed is funded by consortium of bankers with Punjab National Bank as the lead banker)	220.00	NA	NA	NA				
ICICI bank	600.00	NA	NA	NA	Base rate + 2.15% p.a. i.e., 11.00%	Base rate + 2.15% p.a. i.e., 11.40%	The loan is repayable in 46 quarterly installments starting from March 2018.	Term loan from ICICI Bank is secured by : (i) First exclusive pari passu charges on all the movable and immovable assets of the Hotel Asset (Four Points By Sheraton, Visakhapatnam) including freehold land (ii) First exclusive pari passu charges over Escrow account. (iii) First exclusive pari passu charges over DSRA. (iv) Non disposal undertaking over 100% share of the borrower held by the holding company.
HDFC Bank	610.00	1 year MCLR + 135 bps i.e. 10.05% p.a.	1 year MCLR + 135 bps i.e. 9.45% p.a.	1 year MCLR + 135 bps i.e. 10.05% p.a.	1 year MCLR + 135 bps i.e. 9.45% p.a.	NA	The loan is repayable in 56 quarterly installments staring from February 2019	Term loan from HDFC Bank is secured by an exclusive charge over : (i) Movable fixed assets of the hotel. (Four Points By Sheraton, Visakhapatnam) (ii) Current assets of the hotel (iii) Immovable assets of the hotel . (iv) First exclusive pari passu charges over Escrow account.
Standard Chartered Bank	900.00	MCLR + Margin of 2.35% p.a. i.e. 11.25% p.a.	MCLR + Margin of 2.35% p.a. i.e. 10.50% p.a.	MCLR + Margin of 2.35% p.a. i.e. 11.25% p.a.	MCLR + Margin of 2.35% p.a. i.e. 11.00% p.a.	NA	The loan is repayable in 45 quarterly installments starting after 12 months from the date of disbursement i.e. May 2017.	Term loan from Standard Chartered Bank is secured by an exclusive charge over : (i) First exclusive mortgage / charge on Hotel in Ahmedabad with minimum asset cover of l.54x (ii) First exclusive charge / hypothecation on the movable fixed assets of the Hotel (iii) First exclusive charge on present and future receivables of the Hotel (iv) Cash shortfall undertaking by the Holding Company
State Bank of India	545.30	MCLR + 225 bps. i.e. 12.3% p.a.	MCLR + 225 bps. i.e. 10.25% p.a.	MCLR + 225 bps. i.e. 10.55% p.a.	MCLR + 225 bps. i.e. 10.25% p.a.	NA	The loan is repayable in 48 quarterly installments starting from June 2020	Term Loan from State Bank of India is secured by first charge by the way of: (i). First charge by the way of equitable mortgage on the entire fixed assets of the project Hotel land Area & Hotel Building. (Fairfields Hotel, Coimbatore) (ii). First charge by the way of hypothecation on the entire moveable fixed assets of the hotel. (iii). First charge on all the monies lying in the designated account, all project revenues and insurance proceeds of the hotel. '(iv). First charge over all the rights, titles, benefits, claims and demands of borrower under project contracts. '(v). Pledge of shares to the extent of 30% of the total paid up equity share capital of CASPIA held by the Holding Company. '(vi). Non-disposal undertaking from the Holding Company to the extent of 51% of paid-up share capital of CASPIA. '(vii). Project shortfall undertaking by the Holding Company
Yes Bank	320.00 (USD 54.05)	NA	NA	NA	NA	Interest rate is 7.30% fixed per annum (USD notional loan hedging i.e. USD loan pricing of 6 Month Libor + 4.25% and balance adjusted in hedging cost).	15% of the loan is repayable in 16 quarterly installments commencing from September 2014 till June 2018. At the end of 5 years from the date of initial disbursement the balance foreign currency loan may be replaced by rupee equivalent term loan or a new foreign currency loan as per mutually decided by SAMHI Ahmedabad and the bank.	Term loan is secured by exclusive charge by way of equitable mortgage of land and building of the project situated at Ellisbridge, Ahmedabad providing at least 1.2 times of security cover of the outstanding facility amount during the entire tenor of the facility. Further, an exclusive charge on all present and future movable property, plant & equipment of the project, providing at least 1.33 times security cover (land and building and all movable property, plant & equipment) of the outstanding facility amount during the entire tenor and exclusive charge on all current assets (both present and future) of the project. Term loan is further secured by pledge of shares owned by SAMHI Hotels Limited (Holding Company) to the extent of 30% of the paid up share capital of the company and "Debt service reserve account" of one quarter interest and principal payment shall be created upfront in the form of lien marked fixed deposit with bank.
Yes Bank	2000.00 (FCTL -INR 830.00 (USD 13.50) and INR 1170.00)	NA	For INR loan, interest rate is Yes bank's base rate + 1.4%, which is 11.70% p.a. For foreign currency loan, interest rate is 7.70% fixed per annum (USD notional loan hedging i.e. USD loan pricing of 6 Month Libor + 3.55% and balance adjusted in hedging cost).	For INR loan, interest rate is Yes bank's base rate + 1.4%, which is 11.10% p.a. For foreign currency loan, interest rate is 7.70% fixed per annum (USD notional loan hedging i.e. USD loan pricing of 6 Month Libor + 3.55% and balance adjusted in hedging cost).	For INR loan, interest rate is Yes bank's base rate + 1.4%, which is 11.10% p.a. For foreign currency loan, interest rate is 7.70% fixed per annum (USD notional loan hedging i.e. USD loan pricing of 6 Month Libor + 3.55% and balance adjusted in hedging cost).	For INR loan, interest rate is Yes bank's base rate + 1.4%, which is 11.65% p.a. For foreign currency loan, interest rate is 7.70% fixed per annum (USD notional loan hedging i.e. USD loan pricing of 6 Month Libor + 3.55% and balance adjusted in hedging cost).	The INR loan is repayable in 46 quarterly installments commencing from June 2017 to September 2028. For foreign currency loan, there is bullet repayment at the end of 48 months from the date of first disbursement. The loan will be replaced with a new INR loan or another foreign currency loan.	Term loan is secured by exclusive charge on land and building of the project situated at Gachibowli, Hyderabad providing security cover of at least 1.33 times on land and building of the hotel portion of the project and movable property, plant & equipment during the entire tenor of the facility. Further, an exclusive charge on all current assets (including all receivables) and movable property, plant & equipment of the project, both present and future. Term loan is further secured by exclusive charge by way of assignment on leasehold right over leased block of the project to be used for development of service apartments and commercial space in Hyderabad. Term loan is also secured by pledge of shares to the extent of 30% of the total paid up equity share capital of the company held by SAMHI Hotels Limited (Holding Company). Further, the company is required to keep an amount equal to one quarter principal payable+one quarter applicable interest in a separate "Debt service reserve account" with the bank. Property - Sheraton Hyderabad
Standard Chartered Bank	430.00	MCLR plus margin of 1.65% i.e. 11.00%	MCLR plus margin of 1.65% i.e. 10.15%	MCLR plus margin of 1.65% i.e. 10.55%	MCLR plus margin of 1.65% i.e. 10.15%	NA	The loan is repayable in 48 amortizing quarterly instalments starting from immediate quarter of first disbursement i.e December 2017.	Term loan is secured by first exclusive charge over the hotel asset located at Ahmedabad (both Immovable property and movable fixed assets) and charge on current and future receivables and cash flows of the hotel. Further, Debt Service Reserve Account (DSRA) equivalent to principal and interest falling due in next 3 months is be maintained at all times. The holding company has also provided a cash shortfall undertaking. Property - Four Points by Sheraton, Ahmedabad
Yes Bank	1,250 (FCTL - INR 750 and INR - 500)	NA	Indian currency (INR) term loan carries interest rate at bank's base rate + 1.36% per annum, which is 11.61%	NA	Indian currency (INR) term loan carries interest rate at bank's base rate + 1.36% per annum, which is 11.61%	Indian currency (INR) term loan carries interest rate at bank's base rate + 1.36% per annum, which is 11.61%	The INR term loan amount is repayable in 52 quarterly instalments after a moratorium of 12 months from the date of first disbursement i.e. 15 May 2015.	Indian currency loan from Yes Bank is secured with the following:a) First Pari Passu charge on all immoveable and moveable property, plant & equipment of the project including land and building.b) First Pari Passu charge on current assets of the Project. Debt Service Reserve Account (DSRA) of one quarter interest and principal (one quarter prior to repayment) to be maintained throughout the tenor of the loan. Property - Hyatt Place, Gurgaon
Yes Bank	750.00	NA	NA	NA	FCNR loan carries fixed interest rate of 7.70% per annum (USD notional loan hedging i.e.USD loan pricing of 6 Month Libor +3.25% and balance adjusted in hedging cost).	FCNR loan carries fixed interest rate of 7.70% per annum (USD notional loan hedging i.e.USD loan pricing of 6 Month Libor +3.25% and balance adjusted in hedging cost).	SAMHI Gurgaon has a put/call option at the end of 2 years from the date of first disbursement wherein at the end of 2 years (from the date of first disbursement) the borrower has a choice to either repay the FCNR loan using the INR term loan credit limits or continue utilizing the FCNR loan. The maximum tenor for FCNR loan is 60 months, at the end of which it would compulsorily be paid off by utilizing the INR term loan credit limits available.	Indian currency loan from Yes Bank is secured with the following:a) First Pari Passu charge on all immoveable and moveable property, plant & equipment of the project including land and building.b) First Pari Passu charge on current assets of the Project.c) Debt Service Reserve Account (DSRA) of one quarter interest and principal (one quarter prior to repayment) to be maintained throughout the tenor of the loan. In addition to security for loan in Indian currency, FCNR loan is also secured with unconditional and irrevocable corporate guarantee from SAMHI Hotels Limited, Holding Company for MTM losses for the FCNR facility. During the year, SAMHI Gurgaon has repaid the FCNR loan using the INR term loan credit limit. Property - Hyatt Place, Gurgaon
Indusind Bank	1,200.00	a) ROI in 1st year : 9.50% p.a. (linked to MIBOR/MCLR) (fixed to 1 year). b) ROI for 2nd Year : 9.65% p.a. (MIBOR/MCLR plus appropriate spread such that rate is not exceeding 9.65% but not lower than bank MCLR). c) ROI from 3rd year onwards : 1 year MCLR.	NA	a) ROI in 1st year : 9.50% p.a. (linked to MIBOR/MCLR) (fixed to 1 year). b) ROI for 2nd Year : 9.65% p.a. (MIBOR/MCLR plus appropriate spread such that rate is not exceeding 9.65% but not lower than bank MCLR). c) ROI from 3rd year onwards : 1 year MCLR.	NA	NA	The term loan amount is repayable in 42 quarterly instalments starting from 16 February 2019.	a) First charge on all immovable fixed assets of the Hotel. b) First charge on all movable fixed assets of the Hotel. c) First charge on all current assets of the Hotel. d) First charge on all the cash flows of the Hotel to be routed through Induslnd Account of the Hotel. e) Debt Service Reserve Account (DSRA) of one quarter interest and principal to be maintained throughout the tenor of the loan. f) Non disposal undertaking for 100% equity share capital from the promoters. Hotel - Hyatt Place, Gurgaon
Standard Chartered Bank	350.00	11.00%-12.50%	11.00%-12.50%	11.00%-12.50%	11.00%	NA	The loan amount is repayable on demand as a bullet payment including all the dues after a period of 3 years from the date of drawdown i.e. January 2018.	Terms loan from bank is secured by exclusive charge on all present and future immovable, movable fixed assets, current assets of Argon Hotels located at Delhi, Pune, Bengaluru, Goa, and Chennai.
Loan from Financial Institutions								

HDFC Limited	1,400.00	12.95%	11.70%	12.95%	11.50%	11.50%	Repayable in 56 (Fifty Six) structured quarterly instalments commencing from May 2018.	Senior loans from HDFC Limited is secured by way of: (i) First charge on all the immovable assets of Ascent both present and future (ii) First charge by way of hypothecation of all the movable fixed assets both present and future (iii) A first charge on the current assets of Ascent subject to the charges created/ to be created in favour of the working capital lenders under the Deed of Hypothecation. (iv) A first charge on Debt Service Reserve Account and other reserves and any other bank account relating to the Project, wherever maintained, both present and future, under the Deed of Hypothecation. (v) Pledge of shares of Ascent in favour of the Security Trustee. Property - Hyatt Regency, Pune
HDFC Limited	446.50	5.00%	5.00%	5.00%	5.00%	5.00%	The loan amount is repayable by bullet payment after 6 years from the date of first disbursement (5 February 2016).	Bullet loans from HDFC Limited is secured by way of: (i) Registered mortgage creating second charge over the immovable fixed assets (including the hotel property and land) both present and future. (ii) Charge by way of hypothecation creating second charge over entire movable fixed assets and the current assets. (iii) Charge by way of a pledge over shares of Ascent. (iv) Corporate Guarantee by SAMHI Hotels Limited (Holding Company) Property - Hyatt Regency, Pune
PFL Finvest Limited	750.00	PPLR less facility spread i.e 13.65% p.a. as at 30 June 2019 until the expiry of 2 years from the first disbursement date. Thereafter, interest to be paid at PPLR less facility spread [which is set at 12.65% p.a. presently] until the expiry of 3 years from the first disbursement date.	NA	PPLR less facility spread i.e 12.15% p.a. as at 31 March 2019 until the expiry of 2 years from the first disbursement date. Thereafter, interest to be paid at PPLR less facility spread [which is set at 12.65% p.a. presently] until the expiry of 3 years from the first disbursement date.	NA	NA	The entire interest accrued and principal outstanding will be repaid at the end of the loan term of 3 years from drawdown date of July 2018 .	Loans from Piramal Capital and Housing Finance Limited is secured by way of: (i) First ranking pari passu charge, over property of Courtyard & Fairfield by Mariott, Bangalore ("Bangalore Project") [under entity SAMHI JV Business Hotels Private Limited] (ii) First ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited] (iii) First ranking pari passu charge, over Bangalore Project Receivables, Current Account and Project Escrow Account (iv) First ranking pari passu charge, over Hyderabad Project receivables, Current Account and Project Escrow Account (v) First ranking pari passu charge by way of 100% Share Pledge of SAMHI JV Business Hotels Private Limited (vi) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited (vii) Non-disposal undertaking from promoter for 50% shares of SAMHI JV Business Hotels Private Limited
IL&FS Financial Services Limited	3,000.00	Base rate minus 5.10% p.a. which is 10.90% p.a.	Base rate minus 5.10% p.a. which is 10.90% p.a.	Base rate minus 5.10% p.a. which is 10.90% p.a.	NA	NA	The loan amount is repayable by bullet payment after 3 years from the date of first disbursement i.e. 26 April 2018.	The loan is secured by following: 1. First charge of fully paid up equity shares by way of pledge on (i) 51 % shares of the Barque held by SAMHI Hotels Limited and (ii) 100% shares of Paulmech Hospitality Private Limited held by the Barque. 2. First charge by way of equitable/registered mortgage on immovable fixed assets (including mortgage of leasehold rights) of the Projects (both present and future), for Barque's and Paulmech's owned land and building; 3. First charge by way of Security Interest/hypothecation including substitution of leasehold rights of all the Project Assets 4. First charge by way of hypothecation on the entire current assets of the Project, both present and future; 5. First charge by way of hypothecation on all fixed/movable assets pertaining to the Project, both present and future; 6. First charge over Debt Service Reserve Account
IL&FS Financial Services Limited	900.00	NA	12.90%	NA	12.90%	NA	The loan amount is repayable by bullet payment after 3 years from the date of first disbursement (21 July 2017).	Loans from IL&FS Financial Services Limited is secured by way of: (i) First parri passu charge by way of pledge on 100% of fully paid equity shares of Ascent held by the SAMHI Hotels Limited (ii) First parri passu charge by way of mortgage of immovable fixed assets of project , present and future (iii) First parri passu charge by way of hypothecation on the entire current assets of the project , present and future (iv) First parri passu charge by way of hypothecation on movable fixed assets of the project, present and future (v) Corporate Guarantee by SAMHI Hotels Limited (Holding Company) Project - Hyatt Regency, Pune
PFL Finvest Limited	900.00	PPLR less facility spread i.e 11.90% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan.	NA	PPLR less facility spread i.e 10.40% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan.	NA	NA	The term loan is repayable in 48 structured quarterly instalments commencing from September 2021. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.	Loans from PHL Fininvest Private Limited are secured by way of: (i) First ranking pari passu charge, over property of Hyatt Regancy, Pune ("Pune Project") [under entity Ascent Hotels Private Limited] (ii) First ranking pari passu charge, over property of Courtyard & Fairfield by Mariott, Bangalore ("Bangalore Project") [under entity SAMHI JV Business Hotels Private Limited] (iii) First ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited] (iv) First ranking pari passu charge, over Pune Project Receivables, Current Account and Project Escrow Account (v) First ranking pari passu charge, over Bangalore Project Receivables, Current Account and Project Escrow Account (vi) First ranking pari passu charge, over Hyderabad Project receivables, Current Account and Project Escrow Account (vii) First ranking pari passu charge by way of 100% Share Pledge of Ascent Hotels Private Limited (viii) First ranking pari passu charge by way of 100% Share Pledge of SAMHI JV Business Hotels Private Limited (ix) First ranking pari passu charge by way of hypothecation of the Promoter Escrow Account (x) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited (xi) Non-disposal undertaking from promoter for 50% shares of SAMHI JV Business Hotels Private Limited
	300.00	(PPLR) less RCF spread i.e 12.65% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of the tenure of the loan.	NA	(PPLR) less RCF spread i.e 11.15% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of the tenure of the loan.	NA	NA	The RCF is repayable in 20 structured quarterly instalments commencing from September 2028. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.	
PFL Finvest Limited	2,000.00	PPLR less facility spread i.e 11.90% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan.	NA	PPLR less facility spread i.e 10.40% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan.	NA	NA	The term loan is repayable in 48 structured quarterly instalments commencing from September 2021. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.	Loans from PHL Fininvest Private Limited is secured by way of: (i) First ranking pari passu charge, over property of Courtyard & Fairfield by Mariott, Bangalore ("Bangalore Project") [under entity SAMHI JV Business Hotels Private Limited] (ii) First ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited] (iii) First ranking pari passu charge, over Bangalore Project Receivables, Current Account and Project Escrow Account (iv) First ranking pari passu charge, over Hyderabad Project receivables, Current Account and Project Escrow Account (v) First ranking pari passu charge by way of 100% Share Pledge of SAMHI JV Business Hotels Private Limited (vi) First ranking pari passu charge by way of hypothecation of the Promoter Escrow Account (vii) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited (viii) Non-disposal undertaking from promoter for 50% shares of SAMHI JV Business Hotels Private Limited
	100.00	(PPLR) less RCF spread i.e 12.65% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of the tenure of the loan.	NA	(PPLR) less RCF spread i.e 11.15% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of the tenure of the loan.	NA	NA	The RCF is repayable in 20 structured quarterly instalments commencing from September 2028. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.	

(All amounts in Rupees millions, unless otherwise stated)

PFL Finvest Limited	2,200.00	PPLR less facility spread i.e 11.90% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan.	NA	PPLR less facility spread i.e 10.40% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less facility spread from 37th Month till end of the tenure of the loan.	NA	NA	The term loan is repayable in 48 structured quarterly instalments commencing from September 2021. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.	Loans from Piramal is secured by the way of: (i) First ranking pari passu charge, over property of Courtyard & Fairfield by Mariott, Bangalore ("Bangalore Project") [under entity SAMHI JV Business Hotels Private Limited] (ii) First ranking pari passu charge, over property of Sheraton, Hyderabad ("Hyderabad Project") [under entity SAMHI Hotels (Ahmedabad) Private Limited] (iii) First ranking pari passu charge, over Bangalore Project Receivables, Current Account and Project Escrow Account (iv) First ranking pari passu charge, over Hyderabad Project receivables, Current Account and Project Escrow Account (v) First ranking pari passu charge by way of 100% Share Pledge of SAMHI JV Business Hotels Private Limited (vi) First ranking pari passu charge by way of hypothecation of the Promoter Escrow Account (vii) Non-disposal undertaking from promoter for 100% shares of SAMHI Hotels (Ahmedabad) Private Limited (viii) Non-disposal undertaking from promoter for 50% shares of SAMHI JV Business Hotels Private Limited
	250.00	PPLR less RCF spread i.e 12.65% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of the tenure of the loan.	NA	PPLR less RCF spread i.e 11.15% p.a. No interest payment is required for six months from the first disbursement date of loan. Thereafter, interest to be paid at a concessional rate of 8% from the 7th month to the 36th month. Interest to be paid at PPLR less RCF spread from 37th Month till end of tenure of the loan.	NA	NA	The RCF is repayable in 20 structured quarterly instalments commencing from September 2028. Accrued interest will be paid by the end of the 60th Month from the first disbursement date of loan.	
Vehicle Loans from Banks								
BMW Financial Services	10.42	9.70%	NA	9.70%	NA	NA	Repayable in 24-36 monthly installments	It is secured by way of hypothecation against the respective vehicles
HDFC Bank	1.00	10.00%	10.00%	10.00%	10.00%	NA	Repayable in 60 monthly installments	It is secured by way of hypothecation against the respective vehicles
HDFC Bank	0.80	10.00%	10.00%	10.00%	10.00%	10.00%	Repayable in 36 monthly installments	It is secured by way of hypothecation against the respective vehicles

(All amounts in Rupees millions, unless otherwise stated)

40 Employee benefit expens

a. Defined Contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Employees' State Insurance, which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to profit or loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund, Labour Welfare Fund and Employees' State Insurance for the year aggregated to 30 June 2019: INR 17.00; 30 June 2018: INR 18.29; 31 March 2019: INR 82.30; 31 March 2018: INR 50.27; 31 March 2017: INR 39.84

b. Compensated absence

The Principal assumptions used in determining the compensated absences benefit obligation are as given belo

Particulars	**As at 30 June 2019**	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Discounting rate	7.66% - 7.75%	7.66% - 7.75%	7.66% - 7.75%	7.75% - 7.80%	7.35% - 7.50%
Salary growth rate	5.50% - 8.00%	5.50% - 8.00%	5.50% - 8.00%	5.50% - 8.00%	5.50% - 8.00%

c. Defined Benefit Plar

Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.
The following tables summarize the components of net benefit expense recognized in profit or loss, the funded status and amounts recognized in the balance sheet for the gratuity plans.

a) Expense recognised in Statement of Profit or Los

Particulars	**For the period 1 April 2019 to 30 June 2019**	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Current service cost	2.71	2.43	10.62	7.92	7.46
Interest cost	0.57	0.74	2.24	2.41	1.01
Expected return on plan assets	-	-	-	-	-
Total expenses recognised in profit or los	**3.28**	**3.17**	**12.86**	**10.33**	**8.47**

b) Remeasurements recognized directly in other comprehensive incon

Particulars	**For the period 1 April 2019 to 30 June 2019**	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Net actuarial (gain)/loss recognized in the yea					
- changes in demographic assumption	-	-	-	-	-
- changes in financial assumption	0.08	(1.48)	0.49	(2.22)	(0.41)
- changes in experience adjustment	(1.15)	(0.26)	(6.04)	(0.39)	0.83
Amount to be recognized in other comprehensive incom	**(1.07)**	**(1.74)**	**(5.55)**	**(2.61)**	**0.42**

c) Change in present value of benefit obligatio

Particulars	**For the period 1 April 2019 to 30 June 2019**	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Present value of obligation as at the beginning of the year/period	30.65	28.79	28.79	20.77	12.61
Acquisition adjustment (refer note 48)	-	-	-	3.50	-
Current service cost	2.71	2.43	10.62	7.92	7.46
Interest cost	0.57	0.74	2.24	2.41	1.01
Actuarial (gain)/loss	(1.07)	(1.74)	(5.55)	(2.61)	0.42
Benefits paid	(0.95)	(0.28)	(5.45)	(3.20)	(0.73)
Present value of obligation as at the end of the year/perio	**31.91**	**29.94**	**30.65**	**28.79**	**20.77**

d) Amounts to be recognized in Balance shee

Particulars	**As at 30 June 2019**	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Present value of the defined benefit obligation as at the end of the year/peric	31.91	29.94	30.65	28.79	20.77
Fair value of plan assets as at the end of the year/perioc	-	-	-	-	-
Funded status	(31.91)	(29.94)	(30.65)	(28.79)	(20.77)
Net liability recognized in the Balance Sheet	**31.91**	**29.94**	**30.65**	**28.79**	**20.77**
Current	0.35	0.82	0.52	0.85	0.28
Non-Current	31.56	29.12	30.13	27.94	20.49

e) The Principal assumptions used in determining the gratuity benefit obligation are as given bel

Particulars	**As at 30 June 2019**	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
	%	**%**	**%**	**%**	**%**
Discounting rate (i)	7.66 - 7.75	7.66 - 7.75	7.66 - 7.75	7.75-7.80	7.35-7.50
Salary growth rate (ii)	5.50-8.00	5.50-8.00	5.50-8.00	5.50-8.00	5.50 -8.00

(i) The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabiliti
(ii) The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Demographic Assumptions	**As at 30 June 2019**	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Retirement Age (years)	58	58	58	58	58
Mortality Table	IALM (2006-2008) ultimate table	IALM (2006-2008) ultimate table	IALM (2006-2008) ultimate table	IALM (2006-2008) ultimate table	IALM (2006-2008) ultimate table
Withdrawal Rate (For Ascent Hotels Private Limited	**%**	**%**	**%**	**%**	**%**
For Service 4 Year and Below	39	39	39	39	39
For Service 5 Year and Below	2	2	2	2	2
Withdrawal Rate (For all companies other than Ascent Hotels Private Limitec					
Ages	**%**	**%**	**%**	**%**	**%**
Up to 30 Years	3	3	3	3	3
From 31 to 44 years	2	2	2	2	2
Above 44 years	1	1	1	1	1

f) The Group's best estimate of expense for the next year - 30 June 2019: INR 18.62; 30 June 2018: INR 17.75; 31 March 2019: INR 18.67; 31 March 2018 - INR 15.00, 31 March 2017 - INR 11.81

g) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	30 June 2019		**30 June 2018**		**31 March 2019**		**31 March 2018**		**31 March 2017**	
	Increase*	Decrease *	Increase*	Decrease *	Increase*	Decrease *	Increase*	Decrease *	Increase*	Decrease *
Discount rate (0.5% movement	(0.55)	0.61	(0.51)	0.56	(2.20)	2.44	(2.04)	2.26	(1.56)	1.73
Salary growth rate (0.5% movement	0.62	(0.56)	0.57	(0.52)	2.46	(2.24)	2.29	(2.08)	1.75	(1.59)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions sho

* Positive amount represents increase in provisio
* Negative amount represents decrease in provisio

h) Maturity profile of defined benefit obligatio

Year	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
April 2017 - March 2018	-	-	0.28
April 2018 - March 2019	-	0.85	0.66
April 2019 - March 2020	0.52	1.25	0.64
April 2020 - March 2021	0.35	1.09	0.54
April 2021 - March 2022	0.52	0.88	0.48
April 2022 - March 2023	0.41	0.81	0.44
April 2023 - March 2024	0.49	0.66	-
April 2024 - March 2025	0.54	-	-
April 2023 onwards	-	-	17.73
April 2024 onwards	-	23.25	-
April 2025 onwards	27.82	-	-
	30.65	**28.79**	**20.77**

Period	**As at 30 June 2019**	**As at 30 June 2018**
July 2019 - June 2020	0.52	0.52
July 2020 - June 2021	0.35	0.35
July 2021 - June 2022	0.52	0.52
July 2022 - June 2023	0.41	0.41
July 2023 - June 2024	0.49	0.46
July 2024 - June 2025	0.54	0.54
July 2025 onwards	29.07	27.14
	31.91	**29.94**

(All amounts in Rupees millions, unless otherwise stated)

41 Related party disclosures

I Disclosures post elimination of intra-group transactions

(a) Related party and nature of related party relationship where control exists:

Description of relationship	**Name of the Party**
Entities with joint control	Blue Chandra Pte Limited GTI Capital Alpha Private Limited Goldman Sachs Investment Holding (Asia) Ltd.

(b) Other related parties with whom transactions have been taken place:

Description of relationship	**Name of the Party**
Key managerial personnel (KMP)	Ashish Jakhanwala (Managing director) Manav Thadani (Director)
Enterprises in which KMP have control or exercise significant influence (Manav Thadani)	HICSA Event Management Private Limited
Enterprises in which KMP have control or exercise significant influence (Ashish Jakhanwala)	School of Hospitality India Private Limited

(c) Related party transactions during the year/period:

Particulars	Entities with joint control					Key managerial personnel (KMP) & Enterprises in which KMP have control or exercise significant influence				
	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017
Interest income on unsecured loan	**-**	**-**	**-**	**-**	**-**	**0.76**	**0.76**	**3.03**	**3.03**	**3.03**
Ashish Jakhanwala	-	-	-	-	-	0.76	0.76	3.03	3.03	3.03
Staff welfare expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.68**	**-**	**-**
School of Hospitality India Private Limited	-	-	-	-	-	-	-	0.68	-	-
Advertisement and sales promotion	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.58**
HICSA Event Management Private Limited	-	-	-	-	-	-	-	-	-	0.58
Key management personnel compensation	**-**	**-**	**-**	**-**	**-**	**6.21**	**6.47**	**25.61**	**26.01**	**25.95**
Ashish Jakhanwala:										
Short-Term employee benefits	-	-	-	-	-	5.88	6.14	24.31	24.69	24.61
Post-employment benefits *	-	-	-	-	-	0.33	0.33	1.30	1.32	1.34
Other long-term employee benefits *	-	-	-	-	-	-	-	-	-	-

In addition to the above transactions:
- the Group has paid reimbursement of travelling expenses to Blue Chandra Pte Limited amounting to 30 June 2019: INR Nil; 30 June 2018: INR Nil; 31 March 2019: INR 3.85; 31 March 2018 - INR 1.38; 31 March 2017 - INR 3.79

* Gratuity and compensated absences have been provided on an actuarial basis for the Group as a whole. Accordingly, separate figures are not available on an individual basis and, thus, not included.

(d) Related party balances as at year end/period

Particulars	Entities with joint control					Key managerial personnel (KMP)				
	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017
Trade payables	**1.34**	**-**	**1.34**	**-**	**3.79**	**-**	**-**	**-**	**-**	**-**
Blue Chandra Pte Limited	1.34	-	1.34	-	3.79	-	-	-	-	-
Non-current financial assets - Loans (including accrued interest)	**-**	**-**	**-**	**-**	**-**	**36.49**	**33.45**	**35.73**	**32.70**	**29.67**
Ashish Jakhanwala	-	-	-	-	-	36.49	33.45	35.73	32.70	29.67

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and are settled in cash.
For the year/period ended 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

(All amounts in Rupees millions, unless otherwise stated)

41 Related party disclosures

II Disclosures prior to elimination of intra-group transactions

(a) Related party and nature of related party relationship where control exists:

Description of relationship	Name of the Party
Entities with joint control	Blue Chandra Pte Limited GTI Capital Alpha Private Limited Goldman Sachs Investment Holding (Asia) Ltd.
Subsidiaries	SAMHI JV Business Hotels Private Limited SAMHI Hotels (Gurgaon) Private Limited Barque Hotels Private Limited SAMHI Hotels (Ahmedabad) Private Limited CASPIA Hotels Private Limited Ascent Hotels Private Limited Xenon Hotels Private Limited (w.e.f. 8 June 2017) # Argon Hotels Private Limited (w.e.f. 11 August 2017) # Paulmech Hospitality Private Limited

Xenon Hotels Private Limited has merged into Argon Hotels Private Limited w.e.f 31 March 2018 basis merger scheme approved by National Company Law Tribunal, New Delhi on 2 July 2019.

(b) Other related parties with whom transactions have been taken place:

Description of relationship	Name of the Party
Key managerial personnel (KMP)	Ashish Jakhanwala (Managing director) Manav Thadani (Director)
Enterprises in which KMP have control or exercise significant influence (Manav Thadani)	HICSA Event Management Private Limited
Enterprises in which KMP have control or exercise significant influence (Ashish Jakhanwala)	School of Hospitality India Private Limited

(c) Related party transactions during the year/period:

Particulars	Entities with joint control					Subsidiary					Key managerial personnel (KMP) & Enterprises in which KMP have control or exercise significant influence				
	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017
Interest income on unsecured loan	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.76**	**0.76**	**3.03**	**3.03**	**3.03**
Ashish Jakhanwala	-	-	-	-	-	-	-	-	-	-	0.76	0.76	3.03	3.03	3.03
Key management personnel compensation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.21**	**6.47**	**25.61**	**26.01**	**25.95**
Ashish Jakhanwala:															
Short-Term employee benefits	-	-	-	-	-	-	-	-	-	-	5.88	6.14	24.31	24.69	24.61
Post-employment benefits *	-	-	-	-	-	-	-	-	-	-	0.33	0.33	1.30	1.32	1.34
Other long-term employee benefits *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff welfare expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.68**	**-**	**-**
School of Hospitality India Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	0.68	-	-
Advertisement and sales promotion	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.58**
HICSA Event Management Private Limitec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.58
Unsecured loan given - deemed investment	**-**	**-**	**-**	**-**	**-**	**-**	**173.84**	**322.11**	**583.91**	**414.60**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limitec	-	-	-	-	-	-	4.69	5.70	208.85	271.56	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	4.30	4.30	48.18	12.66	-	-	-	-	-
CASPIA Hotels Private Limitec	-	-	-	-	-	-	61.67	102.23	326.88	130.38	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	103.19	209.88	-	-	-	-	-	-	-
Income from overdraft facility to subsidiaries at concessional rate	**-**	**-**	**-**	**-**	**-**	**-**	**3.65**	**4.11**	**19.48**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	-	-	4.90	-	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	3.65	4.11	14.59	-	-	-	-	-	-
Unsecured loan given - loan portion	**-**	**-**	**-**	**-**	**-**	**88.90**	**461.11**	**1,081.10**	**2,620.97**	**483.30**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	2.31	2.83	95.99	98.04	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	1.90	1.90	19.74	4.04	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	26.48	43.04	134.84	381.22	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	28.90	34.00	37.82	192.55	-	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	335.81	652.32	109.10	-	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	60.00	60.61	343.19	2,068.76	-	-	-	-	-	-
Repayment of unsecured loan	**-**	**-**	**-**	**-**	**-**	**-**	**245.70**	**603.14**	**2,529.66**	**28.50**	**-**	**-**	**-**	**-**	**-**
CASPIA Hotels Private Limitec	-	-	-	-	-	-	-	-	1,184.94	12.00	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	82.50	99.50	463.70	-	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	-	-	340.45	861.02	-	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	163.20	163.20	-	-	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	-	-	-	20.00	-	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	-	-	-	16.50	-	-	-	-	-
Unsecured loan received - loan portion	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**158.29**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	-	-	158.29	-	-	-	-	-	-	-
Concessional interest component of loan from subsidiary (net of tax)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**314.29**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	-	-	314.29	-	-	-	-	-	-	-

(All amounts in Rupees millions, unless otherwise stated)

Interest expense	**-**	**-**	**-**	**-**	**-**	**4.48**	**-**	**5.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	4.48	-	5.62	-	-	-	-	-	-	-
Interest income on unsecured loan	**-**	**-**	**-**	**-**	**-**	**72.67**	**82.91**	**318.18**	**237.46**	**139.38**	**-**	**-**	**-**	**-**	**-**
Xenon Hotels Private Limited	-	-	-	-	-	72.67	61.91	266.03	160.55	-	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	1.57	3.23	5.11	3.40	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	2.61	4.18	12.23	10.88	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	14.65	30.52	59.57	125.10	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	2.17	14.21	-	-	-	-	-	-	-
Modification of financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,322.27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	-	30.89	-	-	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	-	60.01	-	-	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	-	618.94	-	-	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	-	612.43	-	-	-	-	-	-	-
Loss on modification of financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**214.12**	**-**	**-**	**-**	**-**	**-**	**-**
CASPIA Hotels Private Limited	-	-	-	-	-	-	-	-	214.12	-	-	-	-	-	-
Unsecured loan given - directly recognised as deemed investment	**-**	**-**	**-**	**-**	**-**	**212.50**	**-**	**596.12**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASPIA Hotels Private Limited	-	-	-	-	-	43.00	-	78.12	-	-	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	169.50	-	15.00	-	-	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	-	503.00	-	-	-	-	-	-	-
Receipt of unsecured loan given - directly adjusted through deemed investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**79.67**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	-	79.67	-	-	-	-	-	-	-
Modification of Fully Compulsory Convertible Debentures (CCD)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**955.76**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Barque Hotels Private Limited	-	-	-	-	-	-	-	955.76	-	-	-	-	-	-	-
Gain/(loss) on fair valuation of 10% fully compulsorily convertible debentures (FCCDs)	**-**	**-**	**-**	**-**	**-**	**-**	**14.86**	**29.72**	**118.13**	**(14.99)**	**-**	**-**	**-**	**-**	**-**
Barque Hotels Private Limited	-	-	-	-	-	-	14.86	29.72	118.13	(14.99)	-	-	-	-	-
Gain on early repayment of unsecured loan	**-**	**-**	**-**	**-**	**-**	**-**	**56.30**	**195.50**	**564.28**	**13.29**	**-**	**-**	**-**	**-**	**-**
CASPIA Hotels Private Limited	-	-	-	-	-	-	-	-	235.71	0.43	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	56.30	195.50	328.57	-	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	-	-	-	12.86	-	-	-	-	-
Reimbursement of expenses from	**-**	**-**	**-**	**-**	**-**	**2.54**	**-**	**34.33**	**1.54**	**0.45**	**-**	**-**	**-**	**-**	**-**
Barque Hotels Private Limited	-	-	-	-	-	-	-	-	0.13	0.06	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	-	-	0.27	0.28	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	-	0.43	0.10	0.00	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	-	-	-	0.08	0.11	-	-	-	-	-
Argon Hotels Private Limited	-	-	-	-	-	2.54	-	17.03	0.11	-	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	-	-	16.87	0.23	-	-	-	-	-	-
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	-	-	-	0.63	-	-	-	-	-	-
Sale of Services - Recreation and other services (excluding tax)	**-**	**-**	**-**	**-**	**-**	**69.27**	**203.62**	**450.05**	**333.96**	**172.30**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	12.78	48.96	84.29	60.94	23.39	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	4.75	4.25	38.60	18.07	16.61	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	10.78	57.16	100.01	39.58	26.29	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	12.23	46.65	85.86	47.76	35.87	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	8.72	7.17	33.19	62.59	40.98	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	13.17	29.96	70.30	61.23	29.17	-	-	-	-	-
Argon Hotels Private Limited	-	-	-	-	-	6.84	9.48	37.78	21.65	-	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	-	-	-	22.13	-	-	-	-	-	-
Receipt of services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**-**
Barque Hotels Private Limited	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-
Reimbursement of expenses to	**-**	**-**	**-**	**-**	**-**	**-**	**0.21**	**0.90**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limitec	-	-	-	-	-	-	0.21	0.90	-	-	-	-	-	-	-
Financial guarantee received	**-**	**-**	**-**	**-**	**-**	**-**	**(20.00)**	**(20.00)**	**20.00**	**-**	**-**	**-**	**-**	**-**	**-**
Argon Hotels Private Limited	-	-	-	-	-	-	(20.00)	(20.00)	20.00	-	-	-	-	-	-
Financial guarantee provided	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16.90**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	-	-	-	16.90	-	-	-	-	-
Conversion of 10% Fully Compulsory Convertible Debentures (FCCD) into equity shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**418.68**	**-**	**-**	**-**	**-**	**-**
Barque Hotels Private Limited	-	-	-	-	-	-	-	-	-	418.68	-	-	-	-	-

In addition to the above transactions:
- the Group has paid reimbursement of travelling expenses to Blue Chandra Pte Limited amounting to 30 June 2019: INR Nil; 30 June 2018: INR Nil; 31 March 2019: INR 3.85; 31 March 2018 - INR 1.38; 31 March 2017 - INR 3.7
- refer note 39 in respect of security provided by subsidiary for loan from Standard Chartered Bank
- refer note 39 in respect of security provided by subsidiaries for loans from Piramal Capital and Housing Finance Limite

* Gratuity and compensated absences have been provided on an actuarial basis for

(All amounts in Rupees millions, unless otherwise stated)

(d) Related party balances as at year/period end

Particulars	Entities with joint control					Subsidiary					Key managerial personnel (KMP)				
	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017	30 June 2019	30 June 2018	31 March 2019	31 March 2018	31 March 2017
Trade payables	**1.34**	**-**	**1.34**	**-**	**3.79**	**-**	**0.21**	**0.58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Blue Chandra Pte Limited	1.34	-	1.34	-	3.79	-	-	-	-	-	-	-	-	-	-
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	-	0.21	0.58	-	-	-	-	-	-	-
Non-current financial assets - Loans (including accrued interest)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36.49**	**33.45**	**35.73**	**32.70**	**29.67**
Ashish Jakhanwala	-	-	-	-	-	-	-	-	-	-	36.49	33.45	35.73	32.70	29.67
Unsecured loan (including accrued interest)	**-**	**-**	**-**	**-**	**-**	**3,092.94**	**3,812.12**	**2,931.38**	**3,457.50**	**2,794.61**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	102.10	-	123.38	150.28	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	58.34	-	54.87	30.01	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	586.51	-	545.37	1,514.32	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	283.88	-	109.10	-	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	2,935.14	2,315.77	2,802.47	2,193.25	-	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	157.80	465.53	128.90	431.53	1,100.00	-	-	-	-	-
Investment in equity shares	**-**	**-**	**-**	**-**	**-**	**5,369.34**	**4,588.32**	**5,369.34**	**4,568.32**	**4,142.69**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	1,617.05	836.03	1,617.05	836.03	836.03	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	721.32	721.32	721.32	721.32	721.32	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	114.85	114.85	114.85	114.85	114.85	-	-	-	-	-
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	616.00	616.00	616.00	616.00	616.00	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	1,084.12	1,084.12	1,084.12	1,084.12	658.49	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	1,196.00	1,196.00	1,196.00	1,196.00	1,196.00	-	-	-	-	-
Xenon Hotels Private Limited *	-	-	-	-	-	20.00	20.00	20.00	-	-	-	-	-	-	-
Investment in 0.001% Compulsorily Convertible Preference Shares (CCPS)	**-**	**-**	**-**	**-**	**-**	**1,260.00**	**1,260.00**	**1,260.00**	**1,260.00**	**1,260.00**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	1,260.00	1,260.00	1,260.00	1,260.00	1,260.00	-	-	-	-	-
Investment in 10% unsecured fully compulsorily convertible debentures	**-**	**-**	**-**	**-**	**-**	**955.76**	**940.90**	**955.76**	**926.05**	**484.75**	**-**	**-**	**-**	**-**	**-**
Barque Hotels Private Limited	-	-	-	-	-	955.76	940.90	955.76	926.05	484.75	-	-	-	-	-
Other current liabilities	**-**	**-**	**-**	**-**	**-**	**13.91**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	13.91	-	-	-	-	-	-	-	-	-
Trade receivables	**-**	**-**	**-**	**-**	**-**	**587.42**	**-**	**629.10**	**490.72**	**404.28**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	-	-	33.31	35.43	61.53	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	75.85	-	71.00	39.97	19.02	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	131.90	-	121.58	127.84	82.49	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	95.42	-	82.25	96.14	45.53	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	126.14	-	117.42	81.63	89.91	-	-	-	-	-
SAMHI (Ahmedabad) Hotels Private Limited	-	-	-	-	-	73.35	-	110.62	60.74	105.80	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	23.90	-	23.90	23.90	-	-	-	-	-	-
Argon Hotels Private Limited	-	-	-	-	-	60.86	-	69.02	25.06	-	-	-	-	-	-
Non current financial assets Receivable from subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**52.43**	**78.19**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	-	-	-	29.81	41.76	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	-	-	14.64	17.54	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	-	-	-	7.98	9.91	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	-	-	-	8.98	-	-	-	-	-
Deemed investment - Unsecured loan #	**-**	**-**	**-**	**-**	**-**	**4,752.78**	**2,553.30**	**4,540.28**	**2,379.46**	**1,795.55**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	575.49	608.26	575.49	603.58	394.72	-	-	-	-	-
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	243.34	183.33	243.34	179.03	130.86	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	2,439.14	1,658.52	2,396.14	1,596.85	1,269.97	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	1,494.81	103.19	1,325.31	-	-	-	-	-	-	-

(All amounts in Rupees millions, unless otherwise stated)

Unsecured loan received - loan portion	**-**	**-**	**-**	**-**	**-**	**168.37**	**-**	**163.91**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI JV Business Hotels Private Limited	-	-	-	-	-	168.37	-	163.91	-	-	-	-	-	-	-
Deemed investment - Overdraft facilities at concessional rate	**-**	**-**	**-**	**-**	**-**	**23.59**	**23.13**	**23.59**	**19.48**	**-**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Ahmedabad) Private Limited	-	-	-	-	-	4.90	4.90	4.90	4.90	-	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	18.69	18.24	18.69	14.59	-	-	-	-	-	-
Current financial assets - Others-Other receivables	**-**	**-**	**-**	**-**	**-**	**20.23**	**17.84**	**17.69**	**13.73**	**17.64**	**-**	**-**	**-**	**-**	**-**
SAMHI Hotels (Gurgaon) Private Limited	-	-	-	-	-	-	-	-	2.90	3.42	-	-	-	-	-
Barque Hotels Private Limited	-	-	-	-	-	-	-	-	0.30	0.30	-	-	-	-	-
Ascent Hotels Private Limited	-	-	-	-	-	-	-	-	1.97	2.19	-	-	-	-	-
CASPIA Hotels Private Limited	-	-	-	-	-	-	-	-	0.39	2.10	-	-	-	-	-
Argon Hotels Private Limited	-	-	-	-	-	2.54	-	-	-	-	-	-	-	-	-
Xenon Hotels Private Limited	-	-	-	-	-	16.87	17.02	16.87	-	-	-	-	-	-	-
SAMHI (Ahmedabad) Hotels Private Limited	-	-	-	-	-	0.82	0.82	0.82	8.18	9.63	-	-	-	-	-

Further, corporate guarantee has been provided to Starwood Hotel and Resorts India Private Limited [operator of SAMHI Hotels (Ahmedabad) Private Limited] pursuant to the Operating services agreement entered by SAMHI Hotels (Ahmedabad) Private Limited.

* Net of fair value of financial guarantee amounting to 30 June 2019: INR Nil; 30 June 2018: INR Nil; 31 March 2019: INR Nil; 31 March 2018 - INR 20.00, 31 March 2017 - Nil

The loans to these subsidiaries are interest free and repayable at the option of the borrower w.e.f 30 September 2018.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and are settled in cash.
For the year/period ended 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting period.

The holding company [SAMHI Hotels Limited] has provided a corporate guarantee on behalf of SAMHI Hotels (Ahmedabad) Private Limited, CASPIA Hotels Private Limited, Ascent Hotels Private Limited, Barque Hotels Private Limited, SAMHI JV Business Hotels Private Limited and SAMHI Hotels (Gurgaon) Private Limited in respect of loans obtained from Banks.
Further, corporate guarantee has been provided to Starwood Hotel and Resorts India Private Limited [Operator of SAMHI Hotels (Ahmedabad) Private Limited] pursuant to the Operating services agreement entered by SAMHI Hotels (Ahmedabad) Private Limited.
Also corporate guarantee has been provided to IHG (India) Private Limited and IHG (Asia) Pacific Pte Ltd [Operator of Barque Hotels Private Limited] pursuant to the Operating services agreement entered by Barque Hotels Private Limited.

Following shares held by SAMHI Hotels Limited in subsidiaries have been pledged with bankers/financial institutions in respect to loans obtained by subsidiaries.

Subsidiary	**As at 30 June 2019**	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Barque Hotels Private Limited	15,323,514	15,323,514	15,323,514	9,013,831	1,474,831
SAMHI Hotels (Ahmedabad) Private Limited	-	649,483	-	649,483	649,483
CASPIA Hotels Private Limited	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Ascent Hotels Private Limited	127,801,485	127,801,485	127,801,485	127,801,485	126,523,472
SAMHI JV Business Hotels Private Limited	124,779,999	-	124,779,999	-	-

SAMHI Hotels Limited (formerly known as SAMHI Hotels Private Limited)
Annexure VI - Notes to the Restated Consolidated Financial Information (Continued)
(All amounts in Rupees millions, unless otherwise stated)

(e) Related party transactions between subsidiaries during the year/period:

Particulars	Fellow Subsidiary / Subsidiary				
	30 June 2019	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**
Reimbursement of expenses:	**5.57**	**2.79**	**6.01**	**6.42**	**3.49**
CASPIA Hotels Private Limited to SAMHI Hotels (Ahmedabad) Private Limited	5.57	2.79	5.57	3.42	-
Argon Hotels Private Limited to Xenon Hotels Private Limited	-	-	-	3.00	-
Argon Hotels Private Limited to SAMHI JV Business Hotels Private Limited	-	-	0.44	-	-
Paulmech Hospitality Private Limited to Barque Hotels Private Limited.	-	-	-	-	3.49
Amount collected on behalf of the Company	**-**	**-**	**-**	**-**	**0.40**
By CASPIA Hotels Private Limited for SAMHI Hotels (Ahmedabad) Private	-	-	-	-	0.40
Non-current investment	**-**	**-**	**-**	**2,013.59**	**-**
Investment in Argon Hotels Private Limited by Xenon Hotels Private Limited	-	-	-	2,013.59	-
Current financial assets - Loans	**45.60**	**76.63**	**363.75**	**44.30**	**45.70**
Loan given during the year / period - By Xenon Hotels Private Limited to Argon Hotels Private Limited	45.00	60.61	343.13	20.00	-
Loan given during the year / period - By Barque Hotels Private Limited to Paulmech Hospitality Private Limited	0.60	16.02	20.62	24.30	45.70
Payment made on behalf of Argon Hotels Private Limited by Xenon Hotels Private Limited	**-**	**-**	**3.13**	**32.83**	**-**
Sale of services (excluding tax)	**0.53**	**0**	**0.588**	**0**	**0.03**
From SAMHI JV Business Hotels Private Limited to Argon Hotels Private Limited	0.53	-	0.59	-	-
From SAMHI Hotels (Ahmedabad) Private Limited to CASPIA Hotels Private Limited.	-	-	-	-	0.03
Cost Allocation	**0.43**	**0.43**	**1.71**	**7.33**	**3.34**
By Xenon Hotels Private Limited to Argon Hotels Private Limited	-	-	-	3.23	-
By Barque Hotels Private Limited to Paulmech Hospitality Private Limited	0.43	0.43	1.71	4.11	3.34
		-			
Interest income on unsecured loan	**4.24**	**3.25**	**14.56**	**10.78**	**4.90**
From Paulmech Hospitality Private Limited to Barque Hotels Private Limited	4.24	3.25	14.56	10.78	4.90

In addition to transactions mentioned above,
- Barque Hotels Private Limited has pledged freehold land of Paulmech Hospitality Private Limited, subsidiary company in respect of loan obtained from bank/financial instituti

(f) Outstanding balances at the year/period end:

Particulars	Fellow Subsidiary / Subsidiary				
	30 June 2019	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**
Trade receivables/ other receivables	**47.77**	**4.59**	**43.64**	**47.31**	**8.41**
CASPIA Hotels Private Limited from SAMHI Hotels (Ahmedabad) Private Limited	0.31	0.26	0.31	0.31	0.41
SAMHI Hotels (Ahmedabad) Private Limited from CASPIA Hotels Private Limited	4.50	3.82	4.50	-	-
Receivables by Xenon Hotels Private Limited from Argon Hotels Private Limited	38.81	-	35.59	34.89	-
SAMHI JV Business Hotels Private Limited from Argon Hotels Private Limited	1.26	-	0.80	-	-
Receivable by SAMHI JV Business Hotels Private Limited from CASPIA Hotels Private Limited	0.53	-	0.53	0.53	0.53
By Barque Hotels Private Limited from Paulmech Hospitality Private Limite	2.36	0.51	1.90	11.57	7.47
Investment in subsidiary	**2,134.31**	**2,134.31**	**2,134.31**	**2,114.31**	**120.72**
By Xenon Hotels Private Limited in Argon Hotels Private Limited*	2,013.59	2,013.59	2,013.59	1,993.59	-
By Barque Hotels Private Limited in Paulmech Hospitality Private Limite	120.72	120.72	120.72	120.72	120.72
Current financial assets	**554.05**	**119.24**	**504.63**	**127.77**	**73.77**
Loan to Argon Hotels Private Limited by Xenon Hotels Private Limited	408.13	80.61	363.13	20.00	-
Loan to subsidiary - By Barque Hotels Private Limited to Paulmech Hospitality Private Limited	145.92	-	141.50	107.77	73.77
Payable by Argon Hotels Private Limited to Xenon Hotels Private Limited	-	38.10	-	-	-
Payable by CASPIA Hotels Private Limited to SAMHI JV Business Hotels Private Limited	-	0.53	-	-	-
Loan to subsidiary (including accrued interest)	**-**	**126.73**	**-**	**-**	**-**
Barque Hotels Private Limited by Paulmech Hospitality Private Limite	-	126.73	-	-	-

* Net of fair value of financial guarantee amounting to 30 June 2019: INR Nil; 30 June 2018: INR Nil; 31 March 2019: INR Nil; 31 March 2018 - INR 20.00, 31 March 2017 - N

(All amounts in Rupees millions, unless otherwise stated)

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

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Commitments					
Estimated amount of contracts remaining to be executed on capital account and others, and not provided for-	2.02	1.15	5.49	95.89	278.62

The Group has availed custom duty exemptions under the Export Promotion Capital Goods Scheme of the Government of India on import of capital equipment for use in its hotel projects. Under the Scheme, the Group is required to discharge the obligation over a period of next six years. The Group's export obligations outstanding under the scheme aggregate 30 June 2019: INR 117.72; 30 June 2018: INR 192.84; 31 March 2019: INR 148.26; 31 March 2018 - INR 75.00; 31 March 2017 - INR 141.53 [net of earnings in foreign currency]. Based on the current projection of future earnings in foreign currency, management is confident that it would be able to discharge the obligation within the time frame.

Contingent liabilities

(i) SAMHI (Ahmedabad) Hotels Private Limited [SAMHI Ahmedabad] has received an assessment order for financial year 2012-13 whereby an addition of INR 3.60 has been made to the total income of SAMHI Ahmedabad. SAMHI Ahmedabad filed an appeal before the Commissioner of Income-tax (Appeals) [CIT (Appeals)] against the said addition. Subsequent to the year ended 31 March 2018, SAMHI Ahmedabad has received the order of CIT (Appeals) in its favour.

(ii) SAMHI Hotels JV Business Private Limited [SAMHI JV] has received an assessment order from Karnataka VAT Department for financial year 2014-15 whereby a demand for sales tax of INR 11.89 has been raised on the SAMHI JV in 31 March 2016. SAMHI JV has filed an appeal before the Joint Commissioner of Taxes (Appeal) against such demand. During the year ended 31 March 2018, SAMHI JV has received a favourable order from the authorities where this demand has been set aside.

(iii) Paulmech Hospitality Private Limited [Paulmech] has received an assessment order for financial year 2013-14 whereby an addition of INR 32.80 has been made to the total income. Paulmech has deposited INR 2.06 towards 15% amount of total demand of Rs. 13.72 and has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition and the matter is pending for disposal. The Group has created a provision of INR 2.88 in the books against the aforesaid case. Based on certain favorable judgments received and the merits of the arguments put forward, the Group is of the view that the outcome will be in its favor and no further provision is required to be created in the books.

(iv) CASPIA Hotels Private Limited has received an assessment order for financial year 2015-16 whereby an addition of INR 21.36 has been made to the total income of CASPIA. The Group has deposited INR 4.50 against total demand of INR 9.17 and has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal. Based on the merits of the arguments put forward, the Group is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(v) Barque Hotels Private Limited, [Barque]

(a) Barque has received an assessment order for financial year 2015-16 whereby an addition of INR 1.13 has been made to the total income of Barque. The Group has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal. Based on the merits of the arguments put forward, the Group is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(b) Barque has received a penalty order u/s 271C of the Income-tax Act, 1961 for financial year 2015-16 whereby a penalty has been imposed on the company of INR 0.12. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said penalty order which is pending for disposal. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(c) Barque has received a penalty order u/s 271C of the Income-tax Act, 1961 for financial year 2016-17 whereby a penalty has been imposed on the company of INR 1.00. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) against the said penalty order which is pending for disposal. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(d) Barque has received a demand notice for property tax payment of INR 13.88 for Holiday Inn Express Chennai. The Company has filed objections with the department for review of the calculation of the property tax demand. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(e) Barque received an intimation from IL&FS Financial Services Limited on 30 September 2018 demanding additional interest of INR 4.67 on account of document deficiencies. In response to this demand, the Company filed a reply stating that there are no deficiancies or delays attributable to the Compamy. The Company is of the view that no provision is required to be created in the books.

(vi) SAMHI Hotels Limited has received an assessment order for financial year 2015-16 whereby an addition of INR 18.13 has been made to the total income of the Group. The Group has filed an appeal before the Commissioner of Income-tax (Appeals) against the said addition which is pending for disposal. Based on the merits of the arguments put forward, the Group is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(vii) Argon Hotels Private Limited, [Argon]

(a) Commissioner of Customs, Central Excise & Service Tax (Tax officer), Delhi, during the current and earlier years issued show cause notices to the Group pertaining to the financial years as mentioned in below table in relation to service tax on the import of manpower and franchisee services under reverse charge.

S.No.	Show cause notice number	Date of demand	Financial year	Amount involved	Nature
1	SCN No. 03/Audit/2014-15	11 April 2014	2008-09 to 2012-13	21.80	Non-payment of Service tax on import of Manpower services (reimbursement of salary expenses) and Franchise fee services
2	SCN No. 15/R-VII/DIV-II/2014-15	17 April 2015	2013-14	3.02	Non-payment of Service tax on Manpower recruitment or supply agency's services and Franchise fee services
3	SCN No. 05/DIV-XI/ST/2015-16	22 March 2016	2014-15	2.74	Non-payment of Service tax on Manpower recruitment or supply agency's services and Franchise fee services
4	SCN No. 01/Div-J.P./R-	06 February 2018	2015-16	0.91	Non-payment of Service tax on Franchise fee services
5	02/Div-J.P./R-29/Premier/2018-19	16 July 2018	2016-17	1.09	Non-payment of Service tax on Franchise fee services
6	03/Div-J.P./R-29/Premier/2018-19	05 September 2018	2017-18	0.27	Non-payment of Service tax on Franchise fee services
			Total	**29.83**	

Argon has filed a reply to the tax officer against the said demands and the same are pending for disposal. The management based upon its assessment believes that any liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallize.

(b) During the year ended 31 March 2016, the Group had hired a contractor for HVAC works to be carried at the Chennai hotel premises vide contract dated 7 September 2015. During the previous year ended 31 March 2017, the Group terminated the said contract vide termination letter dated 24 June 2016 due to certain breaches by the contractor and delays in execution of HVAC works. Subsequently, Group received a legal notice dated 4 July 2016 from the contractor on the grounds that the Contract was terminated without assigning any reasons as per the Contract and the same should be restored. The Contractor also filed a petition before the High court of Delhi for restoration of the said contract. The high court referred the matter to the court appointed arbitrator where the contractor filed a statement of claim amounting to INR 35.94. Against the claim, the Group has fill a counter claim amounting to INR 53.79 towards liquidated damages for delays in supply of material, delays in completion of work, loss of revenue and litigation costs. The matter was pending with arbitrator for hearing and final disposal till last year.

(c) During the year ended 31 March 2016, the Group had hired a contractor for HVAC works to be carried at the Goa hotel premises vide contract dated 22 July 2015. During the previous year ended 31 March 2017, the Group terminated the said contract vide termination letter dated 24 June 2016 due to certain breaches by the contractor and delays in execution of HVAC works. Subsequently, Group received a legal notice dated 4 July 2016 from the contractor on the grounds that the Contract was terminated without assigning any reasons as per the Contract and the same should be restored. The Contractor also filed a petition before the District court for restoration of the said contract. During the pendency of the proceedings before the District Court, the Group referred the dispute to the sole arbitrator appointed by the Group, where the contractor filed a statement of claim amounting to INR 19.64. Against the claim, the Group has filed a counter claim amounting to INR 16.27 towards liquidated damages for delays in completion of work, additional cost incurred, loss of revenue, recovery of excess advance paid and litigation costs. The matter was pending with arbitrator for hearing and final disposal till last year.

The above cases mentioned in (b) and (c) have been settled during the year ended 31 March 2019.

(d) During the year ended 31 March 2017, the Group terminated an employee following which the employee filed a suit before the Delhi High court claiming wrongful termination of employment and seeking compensation of INR 45.00 towards damages and losses. The matter is currently pending with the Delhi High Court for hearing and final disposal. The Group's management does not reasonably expect that this legal action when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

(e) Argon has received a demand notice for property tax payment of INR 3.56 for Fairfield by Marriott Chennai (OMR). The Company has paid the tax under protest and filed objections with the department for review of the calculation of the property tax demand. Based on the merits of the arguments put forward, the Company is of the view that the outcome will be in its favor and no provision is required to be created in the books.

(viii) In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Group has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Group has made a provision for provident fund contribution only for the year 2018-19 in the books of accounts amounting to INR 23.11.

(ix) The Group is subject to legal proceedings and claims, on account of certain land disputes. The Group's management does not reasonably expect that these legal actions, when ultimately concluded, will have a material and adverse effect on the Group's results of operations or financial condition.

43 Operating Segments

The Group's chief executive officer have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, alliance, merger, acquisition and expansion of any new facility. CODM has examined the Group's performance from product and geographic perspective and has identified a single business segment i.e. "Developing and running of hotels", hence no specific disclosures have been made.

A. Information about products and services

Group primarily deals in one business namely "Developing and running of hotels", therefore product wise revenue disclosure is not applicable.

B. Information about geographical areas

The Group provides services to customers in India. Further, there are no non-current assets located outside India.

C. Information about major customers (from external customers)

The Group does not derive revenue from one customer which would amount to 10 per cent or more of the entity's revenue.

(All amounts in Rupees millions, unless otherwise stated)

44 SAMHI Group comprises of the following subsidiaries

Name of the Company	Country of Incorporation	% of voting power held as at 30 June 2019	% of voting power held as at 30 June 2018	% of voting power held as at 31 March 2019	% of voting power held as at 31 March 2018	% of voting power held as at 31 March 2017
SAMHI JV Business Hotels Private Limited (w.e.f September 26, 2011) *	India	100	67	100	67	67
SAMHI Hotels (Gurgaon) Private Limited (w.e.f August 31, 2011)	India	100	100	100	100	100
Barque Hotels Private Limited (w.e.f September 30, 2012) **	India	100	100	100	100	60
SAMHI Hotels (Ahmedabad) Private Limited (w.e.f June 1, 2012)	India	100	100	100	100	100
CASPIA Hotels Private Limited (w.e.f May 28, 2014)	India	100	100	100	100	100
Paulmech Hospitality Private Limited (w.e.f May 14, 2014) **	India	100	100	100	100	60
Ascent Hotels Private Limited (w.e.f March 23, 2016)	India	100	100	100	100	100
Xenon Hotels Private Limited (w.e.f June 8, 2017) #	India	100	100	100	100	NA
Argon Hotels Private Limited (w.e.f August 11, 2017) #	India	100	100	100	100	NA

* The holding company has acquired the non-controlling interest of SAMHI JV Business Hotels Private Limited during the year ended 31 March 201
** The holding company has acquired the non-controlling interest of Barque Hotels Private Limited during the year ended 31 March 2018. Paulmech Hospitality Private Limited is a subsidiary of Barque Hotels Private Limit
# Xenon Hotels Private Limited has merged into Argon Hotels Private Limited w.e.f 31 March 2018 basis merger scheme approved by National Company Law Tribunal, New Delhi on 2 July 201

45 The Group has incurred significant losses in current and previous years/periods. Further, the Group's current liabilities exceed its current assets as at 30 June 2018, 31 March 2019 and 31 March 2018. The Group expects growth in its operations in coming years and is taking measures to improve its operational efficiency. In addition, the funding requirements of the Group in future years will be met through funds from operations and committed undrawn bank borrowings. In line with its practice of refinancing loans, the Group is under discussion to refinance some of its existing borrowings which are due in the period of 1-2 years from 30 June 2019 and 31 March 2019 and has received a preliminary term sheet in respect of one of its borrowings. In view of the above, the Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(All amounts in Rupees millions, unless otherwise stated)

46 Financial instruments – Fair values and risk management

A. Financial instruments by category and fair value

The below table summarizes the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

	31 March 2017			
	Fair Value Through Profit and Loss (FVTPL)	**Fair Value Through Other Comprehensive Income (FVTOCI)**	**Fair Value - Hedging Instruments**	**Amortised Cost/ Carrying amount**
Financial assets				
Non-current loans	-	-	-	112.21
Other non-current financial assets	5.20	-	-	142.07
Current investment	699.63	-	-	-
Trade receivables	-	-	-	137.91
Cash and cash equivalents	-	-	-	398.61
Other bank balances	-	-	-	468.88
Current loans	-	-	-	6.35
Other current financial assets	-	-	-	54.28
Total financial assets	**704.83**	**-**	**-**	**1,320.31**
Financial liabilities				
Non-current borrowings	-	-	-	12,446.11
Other non-current financial liabilities	-	-	-	242.35
Current borrowings	-	-	-	488.09
Trade payables	-	-	-	311.63
Other current financial liabilities	-	-	46.84	405.52
Total financial liabilities	**-**	**-**	**46.84**	**13,893.70**

	31 March 2018			
	Fair Value Through Profit and Loss (FVTPL)	**Fair Value Through Other Comprehensive Income (FVTOCI)**	**Fair Value - Hedging Instruments**	**Amortised Cost**
Financial assets				
Non-current loans	-	-	-	131.19
Other non-current financial assets	4.16	-	-	425.18
Current investment	281.60	-	-	-
Trade receivables	-	-	-	271.16
Cash and cash equivalents	-	-	-	630.72
Other bank balances	-	-	-	838.44
Current loans	-	-	-	10.98
Other current financial assets	-	-	-	91.24
Total financial assets	**285.76**	**-**	**-**	**2,398.91**
Financial liabilities				
Non-current borrowings	-	-	-	16,319.29
Other non-current financial liabilities	-	-	-	540.06
Current borrowings	-	-	-	1,354.84
Trade payables	-	-	-	487.12
Other current financial liabilities	-	-	8.34	806.99
Total financial liabilities	**-**	**-**	**8.34**	**19,508.30**

	31 March 2019			
	Fair Value Through Profit and Loss (FVTPL)	**Fair Value Through Other Comprehensive Income (FVTOCI)**	**Fair Value - Hedging Instruments**	**Amortised Cost**
Financial assets				
Non-current loans	-	-	-	148.65
Other non-current financial assets	4.59	-	-	477.56
Current investment	276.64	-	-	-
Trade receivables	-	-	-	313.28
Cash and cash equivalents	-	-	-	445.94
Other bank balances	-	-	-	42.18
Current loans	-	-	-	9.85
Other current financial assets	-	-	-	157.80
Total financial assets	**281.23**	**-**	**-**	**1,595.26**
Financial liabilities				
Non-current borrowings	-	-	-	19,923.90
Other non-current financial liabilities	-	-	-	591.14
Current borrowings	-	-	-	557.21
Trade payables	-	-	-	546.94
Other current financial liabilities	-	-	-	640.31
Total financial liabilities	**-**	**-**	**-**	**22,259.50**

(All amounts in Rupees millions, unless otherwise stated)

46 Financial instruments – Fair values and risk management

	30 June 2018			
	Fair Value Through Profit and Loss (FVTPL)	**Fair Value Through Other Comprehensive Income (FVTOCI)**	**Fair Value - Hedging Instruments**	**Amortised Cost/ Carrying amount**
Financial assets				
Non-current loans	-	-	-	140.12
Other non-current financial assets	4.27	-	-	604.30
Current investment	294.31	-	-	-
Trade receivables	-	-	-	239.35
Cash and cash equivalents	-	-	-	519.42
Other bank balances	-	-	-	333.92
Current loans	-	-	-	10.77
Other current financial assets	-	-	-	103.12
Total financial assets	**298.58**	**-**	**-**	**1,951.00**
Financial liabilities				
Non-current borrowings	-	-	-	17,432.12
Other non-current financial liabilities	-	-	-	533.08
Current borrowings	-	-	-	866.23
Trade payables	-	-	-	416.24
Other current financial liabilities	-	-	4.34	717.62
Total financial liabilities	**-**	**-**	**4.34**	**19,965.29**

	30 June 2019			
	Fair Value Through Profit and Loss (FVTPL)	**Fair Value Through Other Comprehensive Income (FVTOCI)**	**Fair Value - Hedging Instruments**	**Amortised Cost/ Carrying amount**
Financial assets				
Non-current loans	-	-	-	152.33
Other non-current financial assets	4.70	-	-	547.84
Trade receivables	-	-	-	350.81
Cash and cash equivalents	-	-	-	650.16
Other bank balances	-	-	-	57.57
Current loans	-	-	-	9.81
Other current financial assets	-	-	-	188.61
Total financial assets	**4.70**	**-**	**-**	**1,957.13**
Financial liabilities				
Non-current borrowings	-	-	-	20,711.84
Other non-current financial liabilities	-	-	-	581.93
Current borrowings	-	-	-	331.98
Trade payables	-	-	-	573.10
Other current financial liabilities	-	-	-	411.31
Total financial liabilities	**-**	**-**	**-**	**22,610.16**

Financial assets and liabilities measured at fair value- recurring fair value measurements

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Financial Assets					
Non-current financial assets - Others (Level 3) *	4.70	4.27	4.59	4.16	5.20
Current investments (Level 1)	-	294.31	276.64	281.60	699.63
Financial Liabilities					
Other current financial liabilities - Derivatives (Level 2)	-	4.34	-	8.34	46.84

* Represents fair value of Derivative component of IFC FCCDs

Financial assets and liabilities measured at amortised cost- Fair value measurements

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Financial Assets					
Non-current loans (Level 3) #	118.11	87.97	118.50	103.39	75.63
Financial Liabilities					
Other non-current financial liabilities (Level 3) *	21.16	-	20.60	-	-
Non-current Borrowings (Level 3) **	2,024.45	1,852.81	1,980.55	1,807.68	1,591.25
Non-current Borrowings (Level 3) ***	200.44	205.66	201.75	206.96	212.18
Non-current Borrowings (Level 3) ****	-	-	-	-	215.42

Represents fair value of security deposits.
* Represents fair value of security deposits received.
** Represents fair value of IFC FCCDs
*** Represents fair value of OCRDs issued by Ascent
**** Represents fair value of FCCDs issued by Barque

The fair value of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, current borrowings, trade payables and other current financial liabilities approximate their carrying amounts, due to their short-term nature.

Interest rates on non-current borrowings (borrowings from banks, institutions and others) and lease liability are equivalent to the market rate. Such borrowings are contracted at floating rates and rates are reset at short intervals. Accordingly, the carrying value of such borrowings and lease liability approximates fair value.

Fair value of bank deposits (included in non-current other financial assets) and advances with KMP (included in non-current loans) are equivalent to their carrying amount, as the interest rate on them is equivalent to market rate.

The Group has not disclosed the fair value of lease receivable (included in non-current other financial assets) because their carrying amounts are a reasonable approximation of fair values.

(All amounts in Rupees millions, unless otherwise stated)

46 Financial instruments – Fair values and risk management

B. Measurement of fair values

The different levels of fair value have been defined below:
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers in either direction for the years/period ended 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017.
The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation technique used to determine fair value
Specific valuation technique used to value financial instruments include:
- the use of quoted market prices (NAV) for valuation of current investments (Mutual funds).
- the fair value for non-current loans were calculated based on cash flows discounted using current lending rate.
- the fair value for derivative component of IFC FCCDs is calculated using Binomial option pricing model.
- the fair value for derivative liability is calculated basis Mark to Market rates based on bank quotes as at the balance sheet date.
- the fair value for FCCDs issued by Barque is calculated based on cash flows discounted using current lending rate.
- the fair value for IFC FCCDs were calculated based on cash flows of interest payments discounted using current lending rate and option value of the instrument.
- fair value of OCRD is computed using Binomial option pricing model for fair value of option and equity value using a discounted cash flow approach.

D. Details of significant unobservable inputs

Significant unobservable inputs	**Inter-relationship between significant unobservable inputs and fair value**
A. Financial assets and liabilities measured at fair value	
Derivative component of IFC FCCDs (Other non-current financial assets)	
Growth rate (30 June 2019- 4.00% ; 30 June 2018 - 5.00% ; 31 March 2019 - 4.00% ; 31 March 2018 - 5.00%; 31 March 2017 - 5.50%)	The estimated fair value would increase (decrease) if the annual growth rate was higher (lower)
WACC rate (30 June 2019- 11.68% ; 30 June 2018 - 11.32% ; 31 March 2019 - 11.68% ; 31 March 2018 - 11.32%; 31 March 2017 - 12.13%)	The estimated fair value would decrease (increase) if the WACC rate was higher (lower)
Volatility rate (30 June 2019- 36.82% ; 30 June 2018 - 34.30% ; 31 March 2019 - 36.82% ; 31 March 2018 - 34.30%; 31 March 2017 - 35.89%)	The estimated fair value would increase (decrease) if the volatility rate was higher (lower)
B. Financial assets and liabilities measured at amortised cost	
Security deposits (Non-current loans)	
Risk adjusted discount rate	
FCCDs issued by Barque (Non-current borrowings)	
Risk adjusted discount rate	
IFC FCCDs (Non-current borrowings)	
Risk adjusted discount rate, Growth rate, WACC	
OCRDs (Non-current borrowings)	
Volatility, Growth rate, WACC	

E. Sensitivity analysis of Level 3 fair values

For the fair value of derivative component of IFC FCCDs, reasonably possible changes at the reporting date due to one of the significant unobservable inputs, holding other inputs constant, would have following effects.

	Profit / (loss)	
	Increase	**Decrease**
31 March 2017		
Growth rate (0.5% movement)	4.14	(1.71)
WACC rate (0.5% movement)	(2.06)	5.22
Volatility rate (0.5% movement)	1.08	(0.71)

	Profit / (loss)	
	Increase	**Decrease**
31 March 2018		
Growth rate (0.5% movement)	2.91	(2.17)
WACC rate (0.5% movement)	(2.90)	2.17
Volatility rate (0.5% movement)	0.69	(0.73)

	Profit / (loss)	
	Increase	**Decrease**
31 March 2019		
Growth rate (0.5% movement)	2.76	(1.85)
WACC rate (0.5% movement)	(4.24)	2.22
Volatility rate (0.5% movement)	0.92	(0.96)

	Profit / (loss)	
	Increase	**Decrease**
30 June 2018		
Growth rate (0.5% movement)	0.73	(0.54)
WACC rate (0.5% movement)	(0.72)	0.54
Volatility rate (0.5% movement)	0.17	(0.18)

(All amounts in Rupees millions, unless otherwise stated)

46 Financial instruments – Fair values and risk management

	Profit / (loss)	
	Increase	**Decrease**
30 June 2019		
Growth rate (0.5% movement)	0.69	(0.46)
WACC rate (0.5% movement)	(1.06)	0.55
Volatility rate (0.5% movement)	0.23	(0.96)

F. Reconciliation of Level 3 fair values

Derivative component of IFC FCCDs	**Amount**
Balance as at 1 April 2016	**1.80**
Net change in fair value	3.40
Balance as at 31 March 2017	**5.20**
Balance as at 1 April 2017	**5.20**
Net change in fair value	(1.04)
Balance as at 31 March 2018	**4.16**
Balance as at 1 April 2018	**4.16**
Net change in fair value	0.43
Balance as at 31 March 2019	**4.59**
Balance as at 1 April 2018	**4.16**
Net change in fair value	0.11
Balance as at 30 June 2018	**4.27**
Balance as at 1 April 2019	**4.59**
Net change in fair value	0.11
Balance as at 30 June 2019	**4.70**

(All amounts in Rupees millions, unless otherwise stated)

46. Financial instruments – Fair values and risk management (continued)

G. Financial risk management

Risk management framework

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group's Chief Financial Officer under the directions of the board of directors implements financial risk management policies across the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, to monitor risks and adherence to limits in order to minimize the financial impact of such risks. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group also uses derivative financial instruments as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit risk exposure. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

To cater to the credit risk for balances with banks/financial institutions and investment in mutual funds, only high rated banks/institutions and mutual funds are accepted.

The Group has given security deposits to Government departments and to vendors for securing services from them and rental deposits for employee accommodations. The Group has other receivable balances outstanding as at year end from vendors for cost reimbursement and has loan balance outstanding as at year end from its KMP. Further, the Group has recognised government grant recoverable in respect of export incentives. The Group does not expect any default from these parties and accordingly the risk of default is negligible or nil.

Derivatives includes derivative component of IFC FCCDs. The Group considers that this has a low credit risk as this transaction is with a party of high repute.

In respect of credit exposures from trade receivables/unbilled revenue/lease receivable, the Group has policies in place to ensure that sales on credit without collateral are made principally to travel agents and corporate companies with an appropriate credit history. Sales to other customers are made in cash or by credit cards.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties, if any.

During the year, the Group has written-off trade receivables of 30 June 2019: INR 0.11; 30 June 2018: INR Nil; 31 March 2019: INR 3.98; 31 March 2018 - INR 1.65, 31 March 2017 - INR 0.07

Reconciliation of loss allowance provision

	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	13.89	4.45	4.45	2.82	2.64
Changes in loss allowance	4.26	4.28	9.44	1.63	0.18
Closing balance	**18.15**	**8.73**	**13.89**	**4.45**	**2.82**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(All amounts in Rupees millions, unless otherwise stated)

46. Financial instruments – Fair values and risk management (continued)

ii. Liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

The Group's liquidity risk management includes maintaining sufficient cash and marketable securities, ensuring the availability of funds through committed/undrawn credit facilities, regular refinancing of borrowings and generating cash flow from operating activities. In line with its practice of refinancing loans, the Group is under discussion to refinance some of its existing borrowings which are due within 1-2 years from 30 June 2019 and 31 March 2019 and has received a preliminary term sheet in respect of one of its borrowings. The Group seeks to increase income from its existing properties by maintaining high quality standards resulting into higher occupancy and tariffs, while reducing the related costs and by controlling operating expenses.

Consequently, the Group believes its income, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term and long term liquidity needs.

(a) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

		Contractual cash flows (INR)				
31 March 2017	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non-current borrowings*	12,446.11	11,585.58	75.95	479.06	3,632.82	7,397.75
Other non-current financial liabilities	242.35	512.49	-	53.45	105.32	353.72
Current borrowings	488.09	488.09	488.09	-	-	-
Trade and other payables	311.63	311.63	311.63	-	-	-
Other current financial liabilities	405.52	426.71	426.71	-	-	-
	13,893.70	**13,324.50**	**1,302.38**	**532.51**	**3,738.14**	**7,751.47**
Derivative financial liabilities						
Interest rate swap used for hedging	46.84	46.84	46.84	-	-	-

		Contractual cash flows (INR)				
31 March 2018	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non-current borrowings*	16,319.29	16,335.44	-	970.03	6,273.89	9,091.52
Other non-current financial liabilities	540.06	1,349.33	-	85.30	212.77	1,051.26
Current borrowings	1,354.84	1,354.84	1,354.84	-	-	-
Trade and other payables	487.12	487.12	487.12	-	-	-
Other current financial liabilities	806.99	825.52	825.52	-	-	-
	19,508.30	**20,352.25**	**2,667.48**	**1,055.33**	**6,486.66**	**10,142.78**
Derivative financial liabilities						
Interest rate swap used for hedging	8.34	8.34	8.34	-	-	-

		Contractual cash flows (INR)				
31 March 2019	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non-current borrowings*	19,923.90	18,969.84	-	2,174.33	7,201.38	9,594.13
Other non-current financial liabilities	591.14	1,394.22	-	90.03	273.47	1,030.72
Current borrowings	557.21	557.21	557.21	-	-	-
Trade and other payables	546.94	546.94	546.94	-	-	-
Other current financial liabilities	640.31	687.77	687.77	-	-	-
	22,259.50	**22,155.98**	**1,791.92**	**2,264.36**	**7,474.85**	**10,624.85**

		Contractual cash flows (INR)				
30 June 2018	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non-current borrowings*	17,432.12	16,374.61	-	1,304.27	7,431.25	7,639.09
Other non-current financial liabilities	533.08	1,326.73	-	82.75	207.50	1,036.48
Current borrowings	866.23	866.23	866.23	-	-	-
Trade and other payables	416.24	416.24	416.24	-	-	-
Other current financial liabilities	717.61	772.37	772.37	-	-	-
	19,965.28	**19,756.18**	**2,054.84**	**1,387.02**	**7,638.75**	**8,675.57**
Derivative financial liabilities						
Interest rate swap used for hedging	4.34	4.34	4.34	-	-	-

		Contractual cash flows (INR)				
30 June 2019	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non-current borrowings*	20,711.84	19,609.44	-	4,917.94	4,692.66	9,998.84
Other non-current financial liabilities	581.93	1,335.70	-	87.27	242.59	1,005.84
Current borrowings	331.98	331.98	331.98	-	-	-
Trade and other payables	573.10	573.10	573.10	-	-	-
Other current financial liabilities	411.31	466.68	466.68	-	-	-
	22,610.16	**22,316.90**	**1,371.76**	**5,005.21**	**4,935.25**	**11,004.68**

* Non-current borrowings include IFC FCCDs amounting to INR 1,260.00. There is no liquidity risk on these instruments as these are convertible into equity shares. Accordingly, the same is not considered in the above disclosure. Further, the management of the Group intends to pay interest accrued on such FCCDs upon expiry of 7 years from IFC subscription date which has been disclosed accordingly.

(b) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting year/period:

	As at 30 June 2019	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Floating rate					
Expiring within one year (bank overdraft and other facilities)	45.14	184.63	33.42	267.74	550.36
Expiring beyond one year (term loan from banks/financial institutions and revolving credit facility from financial institutions) *	342.35	911.55	765.30	1,136.79	1,537.99
	387.49	**1,096.18**	**798.72**	**1,404.53**	**2,088.35**

* Includes undrawn facilities from IL&FS Financial Services Limited amounting to 30 June 2019: INR 250.00; 30 June 2018: INR 600.98; 31 March 2019: INR 250.00; 31 March 2018 - Nil; 31 March 2017 - INR Nil

46. Financial instruments – Fair values and risk management (continued)

iii. Market risk
The Group is exposed to market risk primarily relating to the risk of changes in market prices, such as foreign exchange rates and interest rates, that will affect the Group's expense or the value of its holdings of financial instruments.

Currency risk

The Group's exposure to foreign currency risk is on account of payables on account of imports of capital goods, foreign currency borrowings and other expenditure in currencies other than the functional currency of the Group.

Exposure to currency risk

The Group's exposure to foreign currency risk at the end of the reporting year are as follows:

31 March 2017

	Currency	Amount in foreign currency (in millions)	Amount in INR
Current borrowings - Buyers credit	USD	0.15	9.86
Non-current borrowings	USD	30.05	1,948.65
Trade payables	USD	1.03	65.53

31 March 2018

	Currency	Amount in foreign currency (in millions)	Amount in INR
Non-current borrowings	USD	13.50	880.13
Payable for capital assets	AED	0.36	6.09
Trade payables *	GBP	0.00	0.13
Trade payables	USD	1.21	78.63

* Amount is below rounding off threshold adopted by the Group

31 March 2019

	Currency	Amount in foreign currency (in millions)	Amount in INR
Trade payables	USD	1.60	111.70

30 June 2018

	Currency	Amount in foreign currency (in millions)	Amount in INR
Non-current borrowings	USD	13.50	925.90
Trade payables	USD	1.23	84.55

30 June 2019

	Currency	Amount in foreign currency (in millions)	Amount in INR
Trade payables	USD	1.48	103.53

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at year end would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	(Profit) / loss		Equity, net of tax (increase) / decrease	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 March 2017				
1% movement				
USD	20.25	(20.25)	16.46	(16.46)
	20.25	**(20.25)**	**16.46**	**(16.46)**

	(Profit) / loss		Equity, net of tax (increase) / decrease	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 March 2018				
1% movement				
USD	9.59	(9.59)	9.53	(9.53)
AED	0.06	(0.06)	0.06	(0.06)
GBP *	0.00	(0.00)	0.00	(0.00)
	9.65	**(9.65)**	**9.59**	**(9.59)**

* Amount is below rounding off threshold adopted by the Group

	(Profit) / loss		Equity, net of tax (increase) / decrease	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
1% movement				
USD	1.12	(1.12)	0.99	(0.99)
	1.12	**(1.12)**	**0.99**	**(0.99)**

	(Profit) / loss		Equity, net of tax (increase) / decrease	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
30 June 2018				
1% movement				
USD	10.10	(10.10)	10.00	(10.00)
	10.10	**(10.10)**	**10.00**	**(10.00)**

	(Profit) / loss		Equity, net of tax (increase) / decrease	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
30 June 2019				
1% movement				
USD	1.04	(1.04)	0.78	(0.78)
	1.04	**(1.04)**	**0.78**	**(0.78)**

(All amounts in Rupees millions, unless otherwise stated)

46. Financial instruments – Fair values and risk management (continued)

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 borrowings with floating interest rates.

The Group evaluates the interest rates in the market on a regular basis to explore the option of refinancing of the borrowings of the Group. Moreover, the Group's current borrowings are linked to floating interest rates, thereby resulting in the adjustments of its borrowing costs in line with the market interest.

The Group manages the risk by using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	Nominal amount				
	30 June 2019	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**
Fixed-rate instruments					
Financial assets - Bank deposits	781.41	971.42	484.52	1,342.04	660.76
Financial liabilities - Loan from EHIS	-	-	-	-	105.48
Financial liabilities - Vehicle loans	10.46	0.92	10.83	1.04	1.48
Financial liabilities - FCCDs issued by Barque	-	-	-	-	204.66
Financial liabilities - Buyer's line of credit from banks	-	-	-	-	9.86
Financial liabilities - Bullet loans from bank and institutions	1,011.06	945.09	993.85	929.11	868.90
Financial liabilities - IFC FCCDs	1,862.48	1,716.58	1,823.84	1,680.95	1,549.27
	3,665.41	**3,634.01**	**3,313.04**	**3,953.14**	**3,400.41**
Variable-rate instruments					
Financial liabilities - Cash credit and overdraft facilities from banks	309.48	843.73	534.71	1,332.34	350.25
Financial liabilities - Term loans from banks	6,971.05	10,358.03	6,662.44	11,619.67	8,522.02
Financial liabilities - Term loans/ revolving credit facilities from institutions	10,896.59	4,588.94	10,494.80	2,331.95	1,387.68
	18,177.12	**15,790.70**	**17,691.95**	**15,283.96**	**10,259.95**
Effect of interest rate swaps	-	(925.90)	-	(880.13)	(1,948.65)
	18,177.12	**14,864.80**	**17,691.95**	**14,403.83**	**8,311.30**
Total	**21,842.53**	**18,498.81**	**21,004.99**	**18,356.97**	**11,711.71**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(Profit) / loss		Equity, net of tax (increase) / decrease	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2017				
Financial liabilities	79.90	(79.90)	68.36	(68.36)
Cash flow sensitivity (net)	**79.90**	**(79.90)**	**68.36**	**(68.36)**
31 March 2018				
Financial liabilities	96.99	(96.99)	83.74	(83.74)
Cash flow sensitivity (net)	**96.99**	**(96.99)**	**83.74**	**(83.74)**
31 March 2019				
Financial liabilities	166.59	(166.59)	153.03	(153.03)
Cash flow sensitivity (net)	**166.59**	**(166.59)**	**153.03**	**(153.03)**
30 June 2018				
Financial liabilities	38.93	(38.93)	35.72	(35.72)
Cash flow sensitivity (net)	**38.93**	**(38.93)**	**35.72**	**(35.72)**
30 June 2019				
Financial liabilities	47.88	(47.88)	43.78	(43.78)
Cash flow sensitivity (net)	**47.88**	**(47.88)**	**43.78**	**(43.78)**

46. Financial instruments – Fair values and risk management (continued)

Hedge accounting

Interest rate risk
The Group manages the risk by using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. The Group applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional of hedging instruments or par amounts of hedged items. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedging relationships, the main sources of ineffectiveness are:
- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in re-pricing dates between the swaps and the borrowings.

The Group has taken an interest rate swap to hedge the variability in interest rates on its foreign currency loans outstanding as at year end as per following details.

During the year ended 31 March 2019, the Group has repaid one FCNR loan.
During the year ended 31 March 2018, the Group has converted one FCNR loan to INR loan and repaid one FCNR loan.

(a) Details of effect of hedge accounting on financial position

30 June 2018

Type of risk and hedge	Nominal Value of Loan		Floating rate of interest	Carrying amount of Derivative		Fixed rate of interest	Balance line item - where the hedging instrument is included.	Date upto which swap arrangement is valid	Hedge Ratio
	USD in Millions	INR		Asset	Liabilities				
Interest rate risk : Interest rate swap	13.50	925.90	6 month LIBOR + Spread of 3.55%	-	4.34	7.70 % p.a.	Current financial liabilities - Others	September 2018	1:1
Total	**13.50**	**925.90**		**-**	**4.34**				

31 March 2018

Type of risk and hedge	Nominal Value of Loan		Floating rate of interest	Carrying amount of Derivative		Fixed rate of interest	Balance line item - where the hedging instrument is included.	Date upto which swap arrangement is valid	Hedge Ratio
	USD in Millions	INR		Asset	Liabilities				
Interest rate risk : Interest rate swap	13.50	880.13	6 month LIBOR + Spread of 3.55%	-	8.34	7.70 % p.a.	Current financial liabilities - Others	September 2018	1:1
Total	**13.50**	**880.13**		**-**	**8.34**				

31 March 2017

Type of risk and hedge	Nominal Value of Loan		Floating rate of interest	Carrying amount of Derivative		Fixed rate of interest	Balance line item - where the hedging instrument is included	Date upto which swap arrangement is valid	Hedge Ratio
	USD	INR		Asset	Liabilities				
Interest rate risk : Interest rate swap	4.89	317.24	6 month LIBOR + Spread of 4.25%	-	6.25	7.30 % p.a.	Current financial liabilities - Others	June 2018	1:1
Interest rate risk : Interest rate swap	13.50	875.71	6 month LIBOR + Spread of 3.55%		36.10	7.70 % p.a.	Current financial liabilities - Others	September 2018	1:1
Interest rate risk : Interest rate swap	11.65	755.70	6 month LIBOR + Spread of 3.25%	-	4.49	7.70 % p.a.	Current financial liabilities - Others	May 2017	1:1
Total	**30.04**	**1,948.65**		**-**	**46.84**				

(b) Disclosure of effects of hedge accounting on financial performance

30 June 2018

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Line item affected in profit or loss that includes hedge ineffectiveness	Amount of effective portion of cash flow hedged reclassified from OCI to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge: - Interest rate risk	(2.76)	-	Finance Costs	-	Finance Costs

31 March 2019

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Line item affected in profit or loss that includes hedge ineffectiveness	Amount of effective portion of cash flow hedged reclassified from OCI to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge: - Interest rate risk	(5.76)	-	Finance Costs	-	Finance Costs

31 March 2018

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Line item affected in profit or loss that includes hedge ineffectiveness	Amount of effective portion of cash flow hedged reclassified from OCI to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge: - Interest rate risk	(36.56)	-	Finance Costs	-	Finance Costs

31 March 2017

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Line item affected in profit or loss that includes hedge ineffectiveness	Amount of effective portion of cash flow hedged reclassified from OCI to profit or loss	Line item affected in statement of profit or loss because of the reclassification
Cash flow hedge: - Interest rate risk	0.02	-	Finance Costs	-	Finance Costs

As the critical terms of the swap and hedged item coincide (notional amount, interest rate reset dates, interest rate payment dates, maturity/expiration date, and underlying index), the hedge is expected to exactly offset changes in expected cash flows due to fluctuations in the LIBOR rate over the term of the hedge and therefore the hedge ratio for interest rate swap is 1:1. The effectiveness of the hedge relationship is periodically assessed during the life of the hedge by comparing the current terms of the swap and the debt to assure they continue to coincide and through an evaluation of the continued ability of the counterparty to the swap to honor its obligations under the swap.

If the critical terms no longer match exactly or the Counterparty's ability to honor its obligation under the swap change during the life of the hedge, hedge effectiveness (both prospective and retrospective) is re-assessed using the change-in-variable-cashflow method. Accordingly, the calculation of ineffectiveness involves a comparison of the present value of the cumulative change in the expected future cash flows of the variable leg of the swap and the present value of the cumulative change in the expected future variable interest payments designated in the hedging relationship.

(All amounts in Rupees millions, unless otherwise stated)

47 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.
The Board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.
The Group monitors capital using loan to value (LTV) method to ensure that the loan to value does not increase beyond 65% on any given reporting date at a group level.

As a part of its capital management policy, the Group ensures compliance with all covenants and other capital requirements related to regulatory or contractual obligations of material consequence to the Group.

48 Business combinations

During previous year ended 31 March 2018 the group entered into the following business combination.

Argon Hotels Private Limited [Argon]

Acquisition of subsidiary and non-controlling interests (NCI)
On 11 August 2017, the Group acquired 58.15 percent of the voting shares of Argon thereby gaining a control over Argon. Argon has running hotels in Delhi, Pune, Bangalore, Goa and a under construction hotel in Chennai. The Consideration was fully discharged in Cash. Control over Argon will enable the Group to extend its capacity and offerings in the city of Delhi, Pune, Bangalore, Goa and Chennai.

For the period 11 August 2017 to 31 March 2018, Argon contributed revenue of INR 247.94 and loss before tax and OCI of INR 22.35 to the Group's results. Management estimates that if the acquisition had occurred on 1 April 2017, consolidated revenue and consolidated loss before tax and OCI for the year ended 31 March 2018 would have been INR 4,044.63 and INR 2,036.93, respectively. Management has determined these amounts on the basis that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2017.

A **Cost of Acquisition**
The Group incurred acquisition-related costs of INR 20.66 on legal fees and due diligence costs. These costs have been included in legal and professional fees under other expenses.

B **Identifiable assets acquired and liabilities assumed**
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition :

Particulars	Amount
Property, plant and equipment and intangible assets (Refer note 1 and 2)	2,326.06
Capital work-in-progress	426.34
Inventories - Food and beverages	2.29
Inventories - Stores and operating supplies	1.04
Trade receivables	2.74
Cash and cash equivalents	36.62
Other assets	64.35
Lease liabilities	(258.49)
Trade payables	(74.40)
Other liabilities	(41.28)
Provisions	(5.39)
Total net identifiable assets acquired	**2,479.88**

Measurement of fair values
The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Property, plant and equipment
Market approach and Cost Approach : In conducting the analysis, the Group relied on the most appropriate approaches dependent on the type of asset being valued and availability of information. The Group has adopted combination of market and cost approach for valuation of the identified assets.
Market approach has been adopted to estimate the fair value of the land. However, for rest of the asset classes (Other than right-of-use asset), the Group has adopted cost approach to estimate its fair value.

The Group has measured the right-of-use asset at a value equal to lease liability on the date of acquisition, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.
The Group has measured the lease liability at the present value of the lease payments that are not paid at the acquisition date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, incremental borrowing rate is substituted.

Inventories
Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Trade receivables
The trade receivables comprise gross contractual amounts due of INR 2.86 of which INR 0.12 was expected to be uncollectible at the date of acquisition.

C **Goodwill / (Capital reserve)**
Goodwill / (Capital reserve) arising from the acquisition has been determined as follows

Fair value of net identifiable assets	2,479.88
Less: Non-controlling interest (41.85%)	(1,037.84)
Proportionate fair value of net identifiable assets acquired	**1,442.04**
Consideration transferred	1,170.81
Goodwill / (Capital reserve)	(271.23)

D **Acquisition of NCI**
On 27 October 2017 and 5 December 2017, the Group acquired the remaining 34.80% and 7.05% respectively in Argon for INR 842.78 in cash, increasing its ownership interest to 100%. Consequently, the difference between the consideration paid and the carrying amount of NCI as on the date of acquisition of control has been transferred to retained earnings as per details given below:

Consideration paid to NCI	842.80
Carrying amount of NCI acquired	1,037.84
Increase in equity recognised in retained earnings	(195.04)

(All amounts in Rupees millions, unless otherwise stated)

49 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

50 Lease disclosures

As lessee

The Group has taken certain office and hotel premises on lease.
Depreciation charge for right-of-use assets, additions to right-of-use assets and carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset - Refer note
Interest expense on lease liabilities - Refer note 34
Expense relating to short-term leases and leases of low-value assets - 30 June 2019: INR 1.08; 30 June 2018: INR 0.75; 31 March 2019: INR 3.54; 31 March 2018 - INR 1.68; 31 March 2017 - INR 1.97
Expense relating to variable lease payments - 30 June 2019: INR 6.88; 30 June 2018: INR 3.75; 31 March 2019: INR 25.89; 31 March 2018 - INR 23.74; 31 March 2017 - INR 20.01
Cash outflow for leases - 30 June 2019: INR 34.48; 30 June 2018: INR 28.19; 31 March 2019: INR 122.14; 31 March 2018 - INR 85.35; 31 March 2017 - INR 55.31
Maturity analysis of lease liabilities - Refer note 46 - Liquidity Risk (Other non-current financial liabilitie
The total sub-lease rental recognized as an income during the year amounts to 30 June 2019: INR 0.69; 30 June 2018: INR 0.69; 31 March 2019: INR 1.27; 31 March 2018 - INR 4,78, 31 March 2017 - INR 3.41

The Group has undertaken fit-outs work at its property located in Hyderabad and provided the same on finance lease to selected companies for a period of 5 years. These leases have been accounted for as finance leases. Future minimum lease payments (MLP) under finance leases with the present value of the net MLP are as follows:

	As at 30 June 2019		**As at 30 June 2018**		**As at 31 March 2019**		**As at 31 March 2018**		**As at 31 March 2017**	
	Minimum lease payments	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**	**Minimum lease payments**	**Present value of MLP**
Not later than one year	14.47	13.67	-	-	13.35	12.82	-	-	-	-
Later than one year and not later than five years	49.07	39.08	-	-	52.41	42.13	-	-	-	-
Later than five years	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	**63.54**	**52.75**	**-**	**-**	**65.76**	**54.95**	**-**	**-**	**-**	**-**
Less: Amounts representing unearned finance income	(10.79)				(10.81)					
Present value of minimum lease payments	**52.75**	**52.75**	**-**	**-**	**54.95**	**54.95**	**-**	**-**	**-**	**-**

51 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	As at 30 June 2019	**As at 30 June 2018**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Dues to micro and small suppliers					
The amounts remaining unpaid to micro and small suppliers as at the end of the year					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting yea	-	-	-	-	-
The amount of interest paid under the act beyond the appointed day during the yea	-	-	-	-	-
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 MSMED Act, 2006.	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Act.	-	-	-	-	-

The management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018 and 31 March 2017 has been made in the financial statements based on information received and available with the Group.

(All amounts in Rupees millions, unless otherwise stated)

52 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities

Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	**SAMHI JV Business Hotels Private Limited ***					**Barque Hotels Private Limited ****					**Total**				
	30 June 2019	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**	**30 June 2019**	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**	**30 June 2019**	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**
Current assets	-	280.20	-	275.94	272.16			-	-	138.78	-	280.20	-	275.94	410.94
Current liabilities	-	227.03	-	233.73	277.86			-	-	518.79	-	227.03	-	233.73	796.65
Net current assets	**-**	**53.17**	**-**	**42.21**	**(5.70)**	**-**	**-**	**-**	**-**	**(380.01)**	**-**	**53.17**	**-**	**42.21**	**(385.71)**
Non-current assets	-	2,862.16	-	2,899.09	3,010.27			-	-	4,234.37	-	2,862.16	-	2,899.09	7,244.64
Non-current liabilities	-	1,750.03	-	1,764.83	1,816.94			-	-	2,606.64	-	1,750.03	-	1,764.83	4,423.58
Net non-current assets	**-**	**1,112.13**	**-**	**1,134.26**	**1,193.33**	**-**	**-**	**-**	**-**	**1,627.73**	**-**	**1,112.13**	**-**	**1,134.26**	**2,821.06**
Net assets	**-**	**1,165.30**	**-**	**1,176.47**	**1,187.63**	**-**	**-**	**-**	**-**	**1,247.72**	**-**	**1,165.30**	**-**	**1,176.47**	**2,435.35**
NCI	**-**	**384.56**	**-**	**388.24**	**391.92**	**-**	**-**	**-**	**-**	**517.02**	**-**	**384.56**	**-**	**388.24**	**908.94**
Add: Equity component of FCCDs (refer note 18)	-	-	-	-	-	-	-	-	-	294.41	-	-	-	-	294.41
Accumulated NCI	**-**	**384.56**	**-**	**388.24**	**391.92**	**-**	**-**	**-**	**-**	**811.43**	**-**	**384.56**	**-**	**388.24**	**1,203.35**

Summarised statement profit and loss

Particulars	**SAMHI JV Business Hotels Private Limited ***					**Barque Hotels Private Limited ****					**Total**				
	30 June 2019	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**	**30 June 2019**	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**	**30 June 2019**	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**
Revenue from operations	-	244.81	-	893.63	654.11	-	-	-	-	407.96			-	893.63	1,062.07
Profit/(loss) for the year	-	(11.32)	-	(11.66)	(110.85)	-	-	-	-	(256.74)			-	(11.66)	(367.59)
Other comprehensive income/(loss)	-	0.14	-	0.51	0.08	-	-	-	-	(0.06)			-	0.51	0.02
Total comprehensive income/(loss)	**-**	**(11.18)**	**-**	**(11.15)**	**(110.77)**	**-**	**-**	**-**	**-**	**(256.80)**	**-**	**-**	**-**	**(11.15)**	**(367.57)**
Profit/(loss) allocated to NCI	-	(3.73)	-	(3.85)	(36.58)	-	-	-	-	(102.69)	-	-	-	(3.85)	(139.27)
Other comprehensive income/(loss) allocated to NCI	-	0.05	-	0.17	0.03	-	-	-	-	(0.03)	-	-	-	0.17	-
Dividends paid to NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Summarised cash flows

Particulars	**SAMHI JV Business Hotels Private Limited ***					**Barque Hotels Private Limited ****					**Total**				
	30 June 2019	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**	**30 June 2019**	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**	**30 June 2019**	**30 June 2018**	**31 March 2019**	**31 March 2018**	**31 March 2017**
Cash flows from operating activities	-	75.72	-	369.61	170.62	-	-	-	-	122.91	-	-	-	369.61	293.53
Cash flows from investing activities	-	(20.49)	-	(48.77)	(36.67)	-	-	-	-	(204.36)	-	-	-	(48.77)	(241.03)
Cash flows from financing activities	-	(63.83)	-	(331.05)	(102.49)	-	-	-	-	(29.65)	-	-	-	(331.05)	(132.14)
Net increase/ (decrease) in cash and cash equivalents	**-**	**(8.60)**	**-**	**(10.21)**	**31.46**	**-**	**-**	**-**	**-**	**(111.10)**	**-**	**-**	**-**	**(10.21)**	**(79.64)**

* The holding company has acquired the non-controlling interest of SAMHI JV Business Hotels Private Limited during the year ended 31 March 2019 as per following details:

	For the period 1 April 2019 to 30 June 2019	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Value of non-controlling interest acquired	-	-	388.24	-	-
Less: Consideration paid	-	-	(781.03)	-	-
Transfer to retained earnings	**-**	**-**	**(392.79)**	**-**	**-**

** The holding company has acquired the non-controlling interest and debentures of Barque Hotels Private Limited during the year ended 31 March 2018 as per the following details:

	For the period 1 April 2019 to 30 June 2019	**For the period 1 April 2018 to 30 June 2018**	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Value of non-controlling interest acquired	-	-	-	811.43	-
Liability component of FCCDs acquired	-	-	-	204.66	-
	-	-	-	1,016.09	-
Less: Consideration paid	-	-	-	(748.80)	-
Transfer to retained earnings	-	-	-	**267.29**	**-**

(All amounts in Rupees millions, unless otherwise stated)

53 Share-based payments (Equity settled)

On 10 November 2016, the board of directors of the holding company approved 'Employee Stock Option Plan 2016' ("the Plan") that entitles senior employees to purchase shares in the holding company. These options provide the holders of such vested options, the opportunity to acquire equity shares in the holding company in the future at the exercise price mentioned in the option certificate. All options are to be settled by equivalent number of equity shares of Rs. 10 each as per the terms of the scheme. The key terms and conditions related to the grants under this plan are as follows:

Grant date/employees entitled	Number of instruments	Exercise Price (INR)	Vesting period #	Contractual life of options (years) *
Scheme 1: Options granted to senior employees on 21 November 2016				
Tranche 1	109,902	1,300	- 60% by Grant date - 40% by 31 December 2016	2.36 or 3.36
Tranche 1	53,947	1,300	- 30% by Grant date - 30% by 31 December 2016 - 40% by 31 December 2017	2.36 or 3.36
Tranche 2	27,579	1,154	- 30% by Grant date - 30% by 26 November 2017 - 40% by 26 November 2018	2.36 or 3.36
Tranche 3	12,440	1,919	- 10% by Grant date - 20% by 22 September 2017 - 30% by 22 September 2018 - 40% by 22 September 2019	2.36 or 3.36
Scheme 2:				
Options granted to senior employees on 21 March 2017	56,000	2,248	- 30% by 20 March 2018 - 30% by 20 March 2019 - 40% by 20 March 2020	2.03 or 3.03

As per the terms of the scheme, if a liquidity event occurs before the vesting period specified above, options shall vest in full upon the occurrence of the liquidity event. However, if the liquidity event occurs prior to the first anniversary of the grant date of an option, such option shall not be capable of vesting and shall lapse on the date of such liquidity event. In such a situation, the Compensation Committee shall determine how to compensate employees in respect of options that would otherwise have vested at the time of that liquidity event in accordance with the Plan.

* Contractual life of options has been disclosed based on the assumption that management expects the liquidity event to arise by 31 March 2019 or 31 March 2020.

Exercise period:
(a) in the event of liquidity event, such reasonable period as determined by the compensation committee
(b) in the event of an early exercise opportunity, within a reasonable period prior to the anticipated date of completion of any proposed sale by a selling shareholder.

Number options granted, exercised and forfeited during the year

	For the period 1 April 2019 to 30 June 2019		For the period 1 April 2018 to 30 June 2018		For the year ended 31 March 2019		For the year ended 31 March 2018		For the year ended 31 March 2017	
	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)	Number of options	Weighted Average Exercise Price (INR)
Options outstanding at beginning of year/period	259,868	1,518	259,868	1,518	259,868	1,518	259,868	1,518	-	-
Options granted during the year/period	-	-	-	-	-	-	-	-	259,868	1,518
Options exercised during the year/period	-	-	-	-	-	-	-	-	-	-
Options forfeited during the year/period	-	-	-	-	-	-	-	-	-	-
Options expired during the year/period	-	-	-	-	-	-	-	-	-	-
Options outstanding at the end of year/period	259,868	1,518	259,868	1,518	259,868	1,518	259,868	1,518	259,868	1,518
Options exercisable at the end of year/period			-	-	-	-	-	-	-	-

The options outstanding at the end of year/period had exercise prices in the range of Rs. 1,154 to Rs 2,248 and a weighted average remaining contractual life as of 30 June 2019: 0.04 to 1.04 years; 30 June 2018: 1.04 years to 2.04 years; 31 March 2019: 0.29 years to 1.29 years; 31 March 2018: 1.29 years to 2.29 years, 31 March 2017: 2.29 years to 3.29 years.

Measurement of fair values

The fair value at grant date is determined using the Binomial option pricing Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The binomial model is based on the description of an underlying instrument over a period of time rather than a single point. It breaks down the time to expiration into potentially a very large number of time intervals, or steps. A tree of stock prices is initially produced working forward from the present to expiration. At each step it is assumed that the stock price will move up or down by an amount calculated using volatility and time to expiration. This produces a binomial distribution, of underlying stock prices. The tree represents all the possible paths that the stock price could take during the life of the option.

The option prices at each step of the tree are calculated working back from expiration to the present. The option prices at each step are used to derive the option prices at the next step of the tree using risk neutral valuation based on the probabilities of the stock prices moving up or down, the risk free rate and the time interval of each step.

For the purpose of fair value measurement, the holding company has considered liquidity event to arise by 31 March 2019 or 31 March 202

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

	Scheme 1			Scheme 2
	Tranche 1	Tranche 2	Tranche 3	
Weighted average fair value of the options at the grant dates (INR	349	406	182	137
Share price at grant date (INR)	1,210	1,210	1,210	1,288
Exercise price (INR)	1,300	1,154	1,919	2,248
Expected volatility (weighted average volatility	35.89%	35.89%	35.89%	35.89%
Expected life (in years)	0 to 2.36 or 0 to 3.36	0 to 2.36 or 0 to 3.36	0 to 2.36 or 0 to 3.36	0 to 2.03 or 0 to 3.03
Expected dividend	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds	6.22%	6.22%	6.22%	6.82%

The risk free interest rates are determined based on the current yield to maturity of Government Bonds with 10 years residual maturity. Expected volatility has been based on an evaluation of the historical volatility of listed closest peer companies after making suitable adjustment on account of lack of marketability and size, particularly over the historical period commensurate with the expected term. The expected life has been considered based on the assumption that management expects the liquidity event to arise by 31 March 2019 or 31 March 2020. The expected life may not necessarily be indicative of the exercise patterns that may occur. Dividend yield has been calculated taking into account the expected rate of dividend on equity share price as on the grant date.

In accordance with the above mentioned Scheme, 30 June 2019: INR 0.42; 30 June 2018: INR 1.27; 31 March 2019: INR 4.03; 31 March 2018 - INR 14.88, 31 March 2017 - INR 58.23 has been charged to the Statement of Profit and Loss in relation to the options vested as share based payment expense.

The options as mentioned above would be adjusted for sub-division of equity shares as mentioned in Note 55.

Further, subsequent to year ended 31 March 2019, the board of directors of the Company has approved that there would be no further grant of options under the Pla

54 Impairment of asset

(i) Impairment testing for cash-generating units not containing goodwill

In accordance with Indian Ind AS 36 "Impairment of Assets", the Group has identified individual hotels as a separate cash generating unit for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a comparison between the net asset value in books and the present value of cash generated by the hotel.

Based on the results of impairment testing for the hotels in the previous year, the net assets value of one of the hotel (located at Coimbatore) as on 31 March 2018 amounting to INR 1,129.90 have been reduced to the recoverable amount of INR 948.74 by way of impairment charge of INR 181.15.

In view of the management, the primary reasons for recognition of impairment loss in respect to the aforementioned hotel property are high carrying value of property, plant and equipment due to fair value gain on land recorded in books in prior years and certain operational issues at the h

Recoverable amount is value in use of the hotel and is based on discounted cash flow method is classified as a level 3 fair value in the fair value hierarchy due to the inclusion of one or more unobservable inputs. There has been no change in the valuation technique as compared to previous ye

The key assumptions used in the estimation of the recoverable amount are set out below

Assumptions

	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Discount rate	-	-	-	12.15%	-
Average Room Revenue (ARR) growth rate	-	-	-	8% to 5%	-
Occupancy rate	-	-	-	50% to 75%	-

The discount rate is estimated based on the historical industry average weighted average cost of capita

Management has identified that a reasonably possible change in the key assumptions could cause a change in amount of Impairment loss. The following table shows the amount by which the Impairment loss would change on change in these assumptions, all other factors remaining constant.

Increase/ (Decrease) in Impairment loss	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate					
Increase by 1%	-	-	-	38.83	-
Decrease by 1%	-	-	-	(40.91)	-
Average Room Revenue (ARR) growth rate					
Increase by 1%	-	-	-	(86.15)	-
Decrease by 1%	-	-	-	74.81	-
Occupancy rate					
Increase by 5%	-	-	-	(93.68)	-
Decrease by 5%	-	-	-	86.03	-

(ii) Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, Goodwill is allocated to respective subsidiary entity within the Grou
The aggregate carrying amounts of goodwill allocated to each entity are as follow:

Entity	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Ascent Hotels Private Limitec	5,076	5,076	5,076
SAMHI Hotels (Ahmedabad) Private Limitec	121,346	121,346	121,346
SAMHI Hotels (Gurgaon) Private Limitec	50,583	50,583	50,583
Barque Hotels Private Limitec	95,855	95,855	95,855
	272,860	**272,860**	**272,860**

The recoverable amount of the hotels (CGUs) in each entity is based on value in use estimated using discounted cash flow

The key assumptions used in the estimation of the recoverable amount are as 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 internal and external sources.

	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Discount rate	11.07% to 12.77%	11.19% to 13.37%	11.25% to 13.63%
Average Room Revenue (ARR) growth rate	8% to 4%	15% to 6%	5% to 10%
Occupancy rate *	44% to 85%	34% to 85%	20% to 85%

* In case of Barque Hotels Private Limited, the properties been rebranded in the current year and the same are in ramp-up stage. Accordingly, occupancy percentages for such properties which are currently low are increasing over the projection period

The discount rate is estimated based on the historical industry average weighted average cost of capital.

The cash flow projections include specific estimates for five years and an exit multiple for terminal value. The exit multiple has been determined based on management's estimate, consistent with the assumption that a market participant would make.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

55 The shareholders' at the Extraordinary General Meeting('EGM") of the Company held on 2 August 2019, approved the followin
a) conversion of company from "Private Limited" to "Public Limited" and consequently the name of the company be changed from SAMHI Hotels Private Limited to SAMHI Hotels Limited by deleting the word (Private) before (Limi
b) increase of the existing authorized share capital of the company from INR 100 to INR 13(
c) sub-division of the existing authorized share capital of the company comprising of 10,000,000 equity shares of Rs 10 each to 100,000,000 equity shares of Re. 1 eac

As per our examination report of even date attached

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

Vikram Advani
Partner
Membership No.: 091765

Place: Gurugram
Date:

For and on behalf of Board of Directors o
SAMHI Hotels Limited

Ashish Jakhanwala
Managing Director and CEO
DIN: 03304345

Place: Gurugram
Date:

Manav Thadani
Director
DIN: 00534993

Place: Gurugram
Date:

Rajat Mehra
Chief Financial Officer

Place: Gurugram
Date:

Sanjay Jain
Senior Director-Corporate Affairs & Group Secretary
Membership No.: F6137

Place: Gurugram
Date:

(All amounts in Rupees millions, unless otherwise stated)

Summarised below are the restatement adjustments made to the equity of the consolidated financial statements of the Group for the years/period ended 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018, and 31 March 2017 and their consequential impact on the equity of the Group:

Particulars	Notes	As at 30 June 2019	As at 30 June 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
A. Total equity as per audited consolidated financial statements		**4,791.37**	**7,974.92**	**5,414.26**	**9,225.95**	**11,093.71**
B. Adjustments:						
Material restatement adjustments						
(i) Audit qualifications		-	-	-	-	-
Total:		**-**	**-**	**-**	**-**	**-**
(ii) Adjustments due to prior period items / other adjustments						
Adjustments due to change in lease standard (Ind AS - 116)	**3(a)**	-	(50.18)	(40.16)	(52.37)	(45.64)
Total:		**-**	**(50.18)**	**(40.16)**	**(52.37)**	**(45.64)**
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable						
Deferred tax impact on restatement adjustments	**3(a)**	-	2.97	2.20	2.55	7.59
Total:		**-**	**2.97**	**2.20**	**2.55**	**7.59**
C. Total impact of adjustments (i + ii + iii)		**-**	**(47.21)**	**(37.96)**	**(49.82)**	**(38.05)**
D. Total equity as per restated consolidated financial information (B+C)		**4,791.37**	**7,927.71**	**5,376.30**	**9,176.13**	**11,055.66**

Summarised below are the restatement adjustments made to the net profit / (loss) of the consolidated financial statements of the Group for the years/period ended 30 June 2019, 30 June 2018, 31 March 2019, 31 March 2018, and 31 March 2017 and their impact on the profit / (loss) of the Group:

Particulars	Notes	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Net profit after tax as per audited consolidated financial statements		(586.42)	(1,256.80)	(3,046.00)	(1,843.81)	(1,187.32)
B. Adjustments:						
Material restatement adjustments						
(i) Audit qualifications		-	-	-	-	-
Total:		**-**	**-**	**-**	**-**	**-**
(ii) Adjustments for prior period items / other adjustments						
Adjustments due to change in lease standard (Ind AS - 116)	**3(a)**	-	2.19	12.18	(6.71)	(12.93)
Other adjustments		-	-	-	-	0.58
Total:		**-**	**2.19**	**12.18**	**(6.71)**	**(12.35)**
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable						
Deferred tax impact on restatement adjustments		-	0.42	(0.32)	(5.04)	(2.52)
Total:		**-**	**0.42**	**(0.32)**	**(5.04)**	**(2.52)**
C. Total impact of adjustments (i + ii + iii)		**-**	**2.61**	**11.86**	**(11.75)**	**(14.87)**
D. Net profit after tax as per restated consolidated financial information (B+C)		**(586.42)**	**(1,254.19)**	**(3,034.14)**	**(1,855.56)**	**(1,202.19)**

1. Adjustments for audit qualification: None

2. Material regrouping: None

3. Material restatement adjustments

(a) Recognition of lease liability

A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f 01 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor.
The Group has entered into various operating lease contacts in the capacity of a lessee and in lines with the accounting principals laid down in Ind AS 116, is required to make the following adjustments:-
The Group is required to recognise a right to use asset and a corresponding lease liability in respect of all the operating leases on the transition date.
The Group shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, incremental borrowing rate shall be substituted.
The lease payments included in the measurement of the lease liability comprise the payments for the right to use the underlying asset during the lease term that are not paid at the commencement date and includes the following:
(a) fixed payments (including in-substance fixed payments as described in paragraph B42 of Ind AS 116), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (as described in paragraph 28 of Ind AS 116).
The asset recognised in lines with the provisions of Ind AS 116 is required to be depreciated as per Ind AS 16, Property plant and equipment.

The group has applied 'modified retrospective approach' as mentioned in Ind AS 116 for transitional adjustments. Therefore, the cumulative effect of adopting Ind AS 116 has been recognised as an adjustment to the opening balance of retained earnings at 1 April 2016. The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied Ind AS 116 to all contracts entered into before 1 April 2016 and identified as leases in accordance with Ind AS 17.

Non-adjusting items

1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Summary Financial Information

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the years ended 31 March 2019, 31 March 2018 and 31 March 2017. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e., CARO), which do not require any adjustments in the Restated Consolidated Summary Financial Information are reproduced below in respect of the financial statements presented:

For the year ended 31 March 2019

Ascent Hotels Private Limited

Clause (i) (c)

According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with banks/financial institutions for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks/ financial institutions

(All amounts in Rupees millions, unless otherwise stated)

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer note 42)	Apr-18	0.30	15-May-18	Not yet paid
		May-18	0.29	15-Jun-18	Not yet paid
		Jun-18	0.28	15-Jul-18	Not yet paid
		Jul-18	0.29	15-Aug-18	Not yet paid
		Aug-18	0.27	15-Sep-18	Not yet paid

Barque Hotels Private Limited

Clause (i) (b)
The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, physical verification of fixed assets at certain properties were due in the current year. However, the management did not carry out the physical verification of such properties as these properties had undergone a rebranding during the current year.

Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with financial institution for the loan facility availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by financial institutions.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer Note 42)	Apr-18	0.11	15-May-18	Not yet paid
		May-18	0.10	15-Jun-18	Not yet paid
		Jun-18	0.10	15-Jul-18	Not yet paid
		Jul-18	0.10	15-Aug-18	Not yet paid
		Aug-18	0.11	15-Sep-18	Not yet paid
The Haryana Tax on Luxuries Act , 2007	Luxury Tax	Oct-16	0.35	15-Nov-16	Not yet paid
		Nov-16	0.42	15-Dec-16	Not yet paid
		Dec-16	0.32	15-Jan-17	Not yet paid

CASPIA Hotels Private Limited

Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with banks for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer note 42)	Apr-18	0.33	15-May-18	Not yet paid
		May-18	0.33	15-Jun-18	Not yet paid
		Jun-18	0.31	15-Jul-18	Not yet paid
		Jul-18	0.31	15-Aug-18	Not yet paid
		Aug-18	0.32	15-Sep-18	Not yet paid

SAMHI JV Business Hotels Private Limited

Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with banks for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer note 42)	Apr-18	0.37	15-May-18	Not yet paid
		May-18	0.38	15-Jun-18	Not yet paid
		Jun-18	0.37	15-Jul-18	Not yet paid
		Jul-18	0.38	15-Aug-18	Not yet paid
		Aug-18	0.37	15-Sep-18	Not yet paid

Paulmech Hospitality Private Limited

Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by financial institution under lien for the loan facility availed by Barque Hotels Private Limited, the Holding Company. Therefore, we could not verify this title deed and have not received independent confirmation by financial institution.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(All amounts in Rupees millions, unless otherwise stated)

SAMHI Hotels (Gurgaon) Private Limited

Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by bank under lien for the loan facility availed by Company. Therefore, we could not verify this title deed and have not received independent confirmation by bank.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer Note 42)	Apr-18	0.10	15-May-18	Not yet paid
		May-18	0.10	15-Jun-18	Not yet paid
		Jun-18	0.10	15-Jul-18	Not yet paid
		Jul-18	0.10	15-Aug-18	Not yet paid
		Aug-18	0.10	15-Sep-18	Not yet paid

SAMHI Hotels Limited

Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, original title deeds of immovable properties are held by bank under lien for the loan facility availed by Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Duty of customs, Value added tax, Service tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer Note 42)	Apr-18	0.15	15-May-18	Not yet paid
		May-18	0.17	15-Jun-18	Not yet paid
		Jun-18	0.18	15-Jul-18	Not yet paid
		Jul-18	0.20	15-Aug-18	Not yet paid
		Aug-18	0.21	15-Sep-18	Not yet paid

SAMHI Hotels (Ahmedabad) Private Limited

Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with bank/financial institution for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by bank/ financial institution.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer note 42)	Apr-18	0.29	15-May-18	Not yet paid
		May-18	0.28	15-Jun-18	Not yet paid
		Jun-18	0.32	15-Jul-18	Not yet paid
		Jul-18	0.30	15-Aug-18	Not yet paid
		Aug-18	0.29	15-Sep-18	Not yet paid

Argon Hotels Private Limited

Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with banks for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax, Duty of customs, Provident fund, Employees' state insurance, Income tax, Goods and Services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in few cases. With introduction of Goods and services tax, the provisions of Duty of excise, Sales tax, Service tax and Cess are not applicable to the Company.

According to the information and explanations given to us, except as disclosed below, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, Value added tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund (Additional liability due to Supreme Court judgement. Refer Note 42)	Apr-18	0.07	15-May-18	Not yet paid
		May-18	0.11	15-Jun-18	Not yet paid
		Jun-18	0.13	15-Jul-18	Not yet paid
		Jul-18	0.17	15-Aug-18	Not yet paid
		Aug-18	0.17	15-Sep-18	Not yet paid

For the year ended 31 March 2018

SAMHI Hotels Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, original title deeds of immovable

properties are held by bank under lien for the loan facility availed by Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Duty of customs, Employees' state insurance, Value added tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Income-tax and Goods and Services tax have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Sales tax, Duty of excise and Cess.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Duty of customs, Value added tax, Service tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(All amounts in Rupees millions, unless otherwise stated)

SAMHI JV Business Hotels Private Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by banks under lien for the loan facility availed by Company. Therefore, we could not verify this title deed and have not received independent confirmation by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Value added tax, Sales tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Income-tax, Employees' states insurance, Duty of excise and Goods and Services tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of customs and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Duty of customs, Value added tax, Service tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Value added tax, Sales tax, Duty of excise, Goods and Services tax, Service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

SAMHI Hotels (Gurgaon) Private Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by bank under lien for the loan facility availed by Company. Therefore, we could not verify this title deed and have not received independent confirmation by bank.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Provident fund, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Provident fund, Income-tax, Employees' states insurance, Duty of excise, Value added tax, Goods and Services tax and Services tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Sales tax, Duty of customs, Duty of excise and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Duty of customs, Value added tax, Service tax, Goods and Services tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Value added tax, Income tax, Goods and Services tax, Value added tax, Service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

SAMHI Hotels (Ahmedabad) Private Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and building which are freehold, are held in the name of the Company. In respect of immovable property that has been taken on lease and disclosed as fixed asset in the financial statements, the lease agreement is in the name of the Company, where the Company is the lessee in the agreement. However, original title deeds and lease agreement are under lien with banks for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and lease agreement and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Provident fund, Employees' state insurance, Goods and Services tax, Luxury tax, Value added tax, Duty of customs, Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of excise, Cess and Sales tax.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Goods and Services tax, Income tax, Value added tax, Service tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

CASPIA Hotels Private Limited
Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with banks for the loan facilities availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by banks.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Value added tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Duty of customs, Provident fund, Employees' state insurance, Goods and Services tax, Luxury tax, Value added tax and Service tax have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the provisions of Duty of excise, Cess and Sales tax are not applicable to the Company.

According to the information and explanations given to us, other than the amounts reported below, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, Value added tax, Service tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Due date	Date of payment
Tamil Nadu Value Added Tax Act, 2006	Works contract tax	Jun-17	1,223.24	20-Jul-18	Not paid

Barque Hotels Private Limited
Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with bank for the loan facility availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by bank.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Service tax, Goods and Services tax, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Value added tax, Employees' state insurance, Professional tax and Luxury tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the provisions of Cess, Duty of excise and Sales tax are not applicable to the Company.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Value added tax, Service tax, Goods and Services tax, Duty of Customs and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Ascent Hotels Private Limited
Clause (i) (b)
The Company has a regular programme of physical verification of its fixed assets by which all its fixed assets are verified once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, all fixed assets were physically verified during the year. However, as informed to us, the management is currently in process of reconciling physical verification report with its fixed asset register. Accordingly, we are unable to comment on the discrepancies, if any, noted on such verification.

Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by bank/financial institutions under lien for the loan facilities availed by Company. Therefore, we could not verify this title deed and have not received independent confirmation by banks/financial institutions.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Duty of Customs, Employees' state insurance, Service tax, Value added tax, Goods and Services tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Income-tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of excise, Cess and Sales tax.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Duty of Customs, Goods and Services tax, Value added tax, Service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Argon Hotels Private Limited
Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties of land and building which are freehold, are held in the name of the Company. In respect of immovable property that has been taken on lease and disclosed as fixed asset in the financial statements, the lease agreement is in the name of the Company, where the Company is the lessee in the agreement. However, original title deeds and lease agreement are under lien with bank for the loan facility availed by the Company. Therefore, we could not verify those title deeds and have not received independent confirmations by bank.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Duty of customs, Goods and Services tax, Employees' state insurance, Service tax, Value added tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Provident fund have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of excise, Sales tax and Cess.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Value added tax, Duty of customs, Duty of excise, Goods and Services tax, Service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

For the year ended 31 March 2017

SAMHI Hotels Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, original title deed of one immovable property is held by bank under lien for the loan facility availed by Company.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Value added tax, Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Sales tax, Duty of customs, Duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Value added tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

SAMHI JV Business Hotels Private Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by bank under lien for the loan facility availed by Company.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Value added tax, Sales tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Duty of excise and Service tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of customs.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Value added tax, Sales tax, Duty of excise, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

SAMHI Hotels (Gurgaon) Private Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deeds of the immovable property is held by bank under lien for the loan facility availed by Company.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-tax, Value added tax, Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Provident fund and Employees' state insurance have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Sales tax, Duty of customs and Duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, Value added tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

SAMHI Hotels (Ahmedabad) Private Limited
Clause (i) (c)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. However, original title deeds of the immovable properties are held by bank under lien for the loan facility availed by Company.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Provident fund, Employees' state insurance, Cess, Luxury Tax, Value added tax, Duty of customs, Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of excise and Sales tax.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Value added tax, Service tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

Barque Hotels Private Limited
Clause (i) (c)
According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, original title deeds are under lien with banks for the loan facility availed by the Company.

Clause (vii) (a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Service tax, Cess, Duty of customs and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Value added tax and Luxury tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the provisions of Duty of excise and Sales tax are not applicable to the Company.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Value added tax, Service tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

Ascent Hotels Private Limited

Clause (i) (c)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company. However, original title deed of the immovable property is held by bank under lien for the loan facility availed by Company.

Clause (vii) (a)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Service tax, Value added tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Undisputed statutory dues on account of Income-tax have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of customs, Duty of excise and Sales tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Value added tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations:

- the standalone audited financial statements of our Company as at and for the year ended March 31, 2019, March 31, 2018 and March 31, 2017; and
- the standalone audited financial statements of SAMHI JV, Ascent, SAMHI Ahmedabad, SAMHI Gurgaon, Caspia, Barque and Argon, in each case as at and for the year ended March 31, 2019, March 31, 2018 and March 31, 2017.

(collectively the "**Audited Financial Statements**") are available at http://www.samhi.co.in/pdf/subsidiary-financial-results.pdf.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any of its subsidiaries, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs or Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

*Note: B S R & Co., LLP, our current statutory auditors and B S R & Associates, LLP ("**B S R & Associates**"), our statutory auditors for the Financial Year 2017, are part of a network registered with the Institute of Chartered Accountants of India ("**ICAI**"), and each of these two audit firms is separately registered with ICAI. It has been reported that, in connection with certain alleged lapses identified by the Serious Fraud Investigation Office in one of its audit assignments, the Ministry of Corporate Affairs in India has filed petition/ applications with the National Company Law Tribunal, seeking an order under Section 140(5) of the Companies Act to impose a restriction on B S R & Associates from being appointed as an auditor of any company for a five-year period, (the "**Proposed Restriction**") and certain other orders. B S R & Associates has in proceedings before Bombay High Court challenged the validity of Section 140(5) of the Companies Act. Pursuant to the order of Bombay High Court, the proceedings under Section 140(5) of the Companies Act with NCLT has been adjourned sine die. The matter is currently sub-judice. The Proposed Restriction, if imposed, would prevent B S R & Associates from being appointed as an auditor of any company for a period of five years. Since B S R & Co LLP and B S R & Associates are separately registered with the ICAI, the Proposed Restriction, if imposed on B S R & Associates is not expected to impact B S R & Co LLP's role as statutory auditors of the Issuer.*

RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

(all amounts in ₹ millions, unless otherwise stated)

Particulars	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Earnings per equity share					
Basic and Diluted EPS	(7.83)	(16.75)	(40.51)	(24.77)	(16.05)
Return on Net Worth %	-12%	-16%	-56%	-20%	-11%
Net asset value per equity share	63.97	105.85	71.78	122.52	147.61
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	74,896,690	74,896,690	74,896,690	74,896,690	74,896,690
Earnings before finance cost, depreciation, amortisation, tax and exceptional items (Adjusted EBITDA)	347.68	115.32	1,082.86	818.97	780.99
Net Profit after tax	(586.42)	(1,254.19)	(3,034.14)	(1,855.56)	(1,202.19)
Share Capital	74.90	74.90	74.90	74.90	74.90
Other equity	4,716.47	7,468.25	5,301.40	8,712.99	9,777.41
Non-controlling interest	-	384.56	-	388.24	1,203.35
Net worth	4,791.37	7,927.71	5,376.30	9,176.13	11,055.66

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{Basic Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year / period}}$$

$$\text{Net Asset Value (NAV) per equity share (₹)} = \frac{\text{Net worth, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / Period}}$$

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 = Equity share capital + Other equity (including Securities Premium and Surplus/ (Deficit))

4. The above ratios have been computed on the basis of the Restated Consolidated Financial Information

5. The shareholders' at the Extraordinary General Meeting('EGM") of the Company held on 2 August 2019, approved the following:
a) increase of the existing authorized share capital of the company from ₹ 100.00 million to ₹ 130.00 million.
b) sub-division of the existing authorized share capital of the company comprising of 10,000,000 equity shares of ₹ 10 each to 100,000,000 equity shares of ₹ 1 each.

6. For the purposes of calculation of Net Asset Value per Share and Earnings per Share, the per share data, has been adjusted retrospectively to give the effect of share split.

7. The board at the meeting held on 22 August 2019, accorded right issue of 1,374,014 equity shares of the Company having face value of ₹ 1 each at price of ₹ 208.81 aggregating to ₹ 286.91 million to the equity shareholders of the Company. The issue has been fully subscribed and shares have been allotted. The impact of right issue have not been considered for the above calculation.

8. **Reconciliation of profit after tax to Adjusted EBITDA**

(all amounts in ₹ millions)

Particulars	For the period 1 April 2019 to 30 June 2019	For the period 1 April 2018 to 30 June 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Net profit/(loss) after tax (A)	**(586.42)**	**(1,254.19)**	**(3,034.14)**	**(1,855.56)**	**(1,202.19)**
Add: Finance costs (B)	624.79	557.29	2,256.09	1,704.65	1,216.14
Add: Tax Expense/Income (C)	(6.80)	17.14	4.26	(175.05)	(262.23)
Add: Depreciation and amortisation expense (D)	316.11	299.35	1,222.77	1,144.93	1,029.27
EBITDA (A + B + C + D)	**347.68**	**(380.41)**	**448.98**	**818.97**	**780.99**
Other Adjustments :					
Add: Exceptional items					
- Loss on sale of property, plant and equipment	-	119.82	119.82	-	-
- Loss on reclassification of asset held for sale	-	-	138.15	-	-
- Accelerated depreciation on rebranding	-	375.91	375.91	-	-
Adjusted EBITDA	**347.68**	**115.32**	**1,082.86**	**818.97**	**780.99**

EBITDA is Earnings before interest, tax, depreciation and amortization. It is calculated by taking Net profit after tax and adding back tax expense, finance costs and depreciation and amortization expense.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at June 30, 2019, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Financial Statements***" and "***Risk Factors***" on pages 264, 180 and 26, respectively.

(₹ in million)

Particulars	Pre-Offer as at June 30, 2019	As adjusted for the proposed Offer**
Total borrowings	21,249.14	[●]
Current borrowings*	331.98	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)*	20,917.16	[●]
Total equity	4,791.37	[●]
Equity share capital*	74.90	[●]
Other equity*	4,716.47	[●]
Total Capital		
Ratio: Non-current borrowings (including current maturity and interest accrued and due on borrowings)/ Total equity	4.37	[●]
Ratio: Total borrowings/ Total equity	4.43	[●]

** These terms shall carry the meaning as per Schedule III of the Companies Act 2013 (as amended).*
*** To be updated upon finalization of the Offer Price.*

Pursuant to the extraordinary general meeting of the shareholders held on August 2, 2019, the shareholders approved the following:

a) increase of the existing authorized share capital of the Company from ₹ 100.00 million to ₹ 130.00 million; and
b) sub-division of the existing authorized share capital of the Company comprising of 10,000,000 equity shares of ₹ 10 each to 100,000,000 Equity Shares of ₹ 1 each.

The Board at its meeting held on August 22, 2019 accorded the rights issue of 1,374,014 Equity Shares of the Company having a face value of ₹ 1 each at a price of ₹ 208.81 aggregating to ₹ 286.91 million to the equity shareholders of the Company. Such issue has been fully subscribed and Equity Shares have been alloted. The impact of rights issue has not been considered for the above calculation.

FINANCIAL INDEBTEDNESS

As on July 31, 2019, we had outstanding borrowings (including current and non-current borrowings) of ₹ 21,646.72 million on a consolidated basis, which includes the IFC CCDs which shall be converted prior to filing of the Red Herring Prospectus with the RoC. The details of such borrowings are set forth below:

(*₹ in million*)

Category of Borrowing	Outstanding amount as on July 31, 2019***
Secured	
Term loans	18,430.78
Working capital facilities	1,004.01
Vehicle loans	10.34
Unsecured	
*Optionally convertible redeemable debentures**	304.20
*Fully compulsorily convertible debentures***	1,874.89
Others	22.50
Total	**21,646.72**

The optionally convertible redeemable debentures have been issued by Ascent, our Subsidiary and may be converted into equity shares of Ascent. For details, see "- **Key terms of our unsecured borrowings" on page 262.*
***The fully compulsorily convertible debentures have been issued by our Company to IFC. For details, see "- **Key terms of our unsecured borrowings**" on page 262.*
****Amount due as per bank confirmation (excluding Ind AS adjustments) and inclusive of interest accrued.*

Note: In addition to the borrowings specified in the table above, our Company also has certain sanctioned bank guarantees amounting to ₹ 176.80 million.

Key terms of our secured borrowings

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

a. *Tenor and interest rate*: The tenor of the term loan facilities availed by us typically ranges from three years to 15 years. Except for two fund based borrowings, vehicle loans availed by us and one bank guarantee facility which have fixed rates of interest, all our loan facilities have floating rates of interest.

b. *Security*: Our borrowings are typically secured by:

(i) existing and future charge on the immovable properties of the hotels of our Company or Subsidiaries, as applicable;
(ii) charge on current assets, existing and future, and entire moveable and/or fixed assets of the hotels of our Company or Subsidiaries, as applicable;
(iii) charge on the operating cash flows, receivables, bank accounts, etc. from the hotels of our Company or Subsidiaries, as applicable;
(iv) mortgage (including through the deposit of title deeds) on the hotel property and land (whether owned or leased) and on the development rights thereto, of our Company or Subsidiaries, as applicable; and
(v) hypothecation of all moveable fixed assets pertaining to our hotels, both present and future.

Further, as part of security for certain borrowings availed by our Subsidiaries, Ascent, Barque, Caspia and SAMHI JV, our Company has pledged its shareholding, wholly or partially, in such Subsidiaries. For details, see "***Risk Factors – Internal Risk Factors – We have pledged equity shares of certain of our Subsidiaries, in favour of certain lenders. In the event that such lenders exercise their rights under the respective share pledge agreements in the event of default and in accordance with the respective financing agreements, our business, results of operations, cash flows and prospects may be adversely affected.***" on page 47. Our Company has also provided a corporate guarantee for a loan facility availed by Ascent, our Subsidiary. Further, Paulmech, our Subsidiary, has provided a corporate guarantee for the loan facility availed by its holding company and one of our Subsidiaries, Barque.

c. *Restrictive covenants*: Our Company and our Subsidiaries, under the borrowing arrangements entered into by them respectively, require the relevant lender's prior written consent and/or are required to intimate the relevant lender, as applicable, for carrying out certain actions, including:

(i) reduction or change in the Company's shareholding in the Subsidiary, as applicable;
(ii) change in shareholding pattern/control or management control, as applicable;
(iii) change in the composition of the board of directors;
(iv) cessation of Ashish Jakhanwala from the position of Managing Director and Chief Executive Officer of the Company;
(v) formulation or entering into any scheme of amalgamation, reconstruction, demerger, merger, consolidation or compromise;
(vi) changing or altering the capital structure;
(vii) declaration or payment of dividend;
(viii) raising of new loans; and
(ix) making any amendments to the memorandum and articles of our Company or Subsidiary, as applicable.

d. *Events of Default:* Our borrowing arrangements typically contain standard events of default, including:

(i) non-payment or default in payment of any amounts due under the loan facilities;
(ii) breach of any covenants, conditions, representations or warranties;
(iii) cross default under any arrangement for the facilities extended by any other lender;
(iv) initiation of corporate actions or proceedings relating to winding up, dissolution, reorganization or appointment of liquidator, receivers or administrators or litigation causing material adverse effect to the lender;
(v) failure to create and/or perfect the security within the time period specified in the facility agreement; and
(vi) cessation or threat to cease carrying on the business.

e. *Consequence of Events of Default:* Upon the occurrence of an event of default under our borrowing arrangements, our lenders are entitled to, among other things:

(i) appoint nominee directors or observers on the board of our Company or Subsidiary, as applicable;
(ii) levy a penalty/default interest;
(iii) cancel our facility;
(iv) accelerate our facility;
(v) enforce security interest, and enter upon or take possession of the properties on which security interest is created; and
(vi) take any legal action for recovery of the outstanding amounts in accordance with the transaction documents and/or applicable law.

Key terms of our unsecured borrowings

As on the date of this Draft Red Herring Prospectus, 1,260,000 IFC CCDs are outstanding. The IFC CCDs bear an interest rate of 8.5% per annum and are mandatorily convertible into equity shares after 10 years from the date of their subscription ("**Maturity Date**"). The IFC CCDs are convertible into equity shares of the Company at the option of the holder in accordance with the terms of the IFC CCDs and any IFC CCDs that are not so converted are required to be compulsorily converted, immediately prior to a liquidity event (including an initial public offering) as specified under the terms of the IFC CCDs, or the Maturity Date, whichever is earlier. In accordance with the SEBI ICDR Regulations, all outstanding IFC CCDs shall be converted into Equity Shares prior to filing the Red Herring Prospectus with the RoC.

Further, Ascent, our Subsidiary has issued 6,726,394 optionally convertible redeemable debentures ("**OCRDs**") to Vascon Engineers Private Limited at an issue price of ₹ 45.23 each in accordance with the terms of a subscription cum shareholders' agreement dated February 8, 2016 (the "**SSA**"). The OCRDs do not carry any interest or coupon payment.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – Internal Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition***" on page 28.

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

*You should read the following discussion in conjunction with our restated consolidated financial statements as of and for the three months ended June 30, 2019 and 2018 and the Financial Years 2019, 2018 and 2017, including the related notes, schedules and annexures. Our restated consolidated financial information as of and for the three months ended June 30, 2019 and 2018 and the Financial Years 2019, 2018 and 2017 has been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable and in accordance with applicable rules, regulations and the ICAI Guidance Note on Reports in Company Prospectuses (Revised) 2019. Our restated consolidated financial information has been compiled from our audited consolidated financial statements.*

*Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "**Forward-looking Statements**" and "**Risk Factors**" on pages 18 and 26, respectively.*

*The industry information contained in this section is derived from a report titled "India Hospitality Overview" dated September 2019 prepared by HVS ANAROCK Hotel Advisory Services Private Limited ("**HVS**") and commissioned by our Company in connection with the Offer ("**HVS Report**"). Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the HVS Report and we do not report our financial information by these segments.*

Overview

We are one of India's leading hotel owner and asset manager. Within eight years of starting our business operations, we have grown to become India's third largest hotel asset owner, by number of keys, and the fastest growing hotel owner, by number of keys added per calendar year, compared to other listed hospitality companies in India, as of June 30, 2019 *(Source: HVS Report).* We have a portfolio of 27 operating hotels comprising of 4,048 keys across India, as of June 30, 2019. We have a diverse geographic presence as our hotels span 12 of India's key urban consumption centres, including Delhi, Bengaluru, Hyderabad, Chennai and Pune, which together accounted for 52.6% of India's air passenger traffic during the Financial Year 2019 *(Source: HVS Report).* We presently have two hotels under development with a total of 223 keys in Kolkata and Mumbai, which are expected to be commissioned by September 2020 and March 2021, respectively, and increase our presence to 14 key urban consumption centres. For operating our hotels, we have long-standing relationships with three of the well-established and leading hotel operators, namely, Marriott, IHG and Hyatt.

We have adopted an acquisition led strategy which is underpinned by our track record of acquiring and successfully turning around hotels to grow our business, with 83.6% of our hotel keys, as of June 30, 2019, being added through acquisitions. Complementing our acquisition strategy are our scalable asset management capabilities that ensure cost effective operations throughout our portfolio of hotels and efficient integration of our newer hotels. This has enabled us to have favourable financial and operating metrics such as a relatively low Average Cost per Key of ₹ 6.11 million (inclusive of real estate and development costs), as of March 31, 2019. In contrast, as per the survey conducted by HVS for select hotels completed between 2010 and 2015, the average development cost per key in India was ₹ 8.20 million (excluding real estate cost but including all development costs) *(Source: HVS Report, HVS India - 2016 Hotel Development Cost Survey)*. In addition, our average Staff Per Key Ratio, as of March 31, 2018, was 0.62 compared to industry average of 1.60 (from a sample set of 387 hotels in India) *(Source: HVS Report)*.

The Indian hotel industry is largely unorganized with lower brand penetration as compared to countries such as China and Japan *(Source: HVS Report)*. According to HVS, India's low share of organized keys and brand penetration makes a case for institutional ownership in the hotel sector. Given our strong track record in hotel acquisitions and turnarounds, coupled with the significant opportunity for acquisition of displaced hotel assets which are stressed on account of poor capital structure, branding and/or design, scalable hotel companies such as ours have a significant opportunity for growth through the acquisition of the independent and unbranded hotels

(Source: HVS Report). The fragmented nature of our industry will continue to offer consolidation opportunities and we intend to increase our market share and enter high-growth geographies in a cost effective manner.

We have a proven track record in stabilizing the operating performance of our hotel assets within a short span of time. We consider our hotel assets that have been operational for at least two complete financial years as of March 31, 2019, subsequent to the later of completion, acquisition, renovation and/or rebranding, as Mature Assets (the "**Mature Assets**"). Our Mature Assets took between 21 to 24 months to achieve 60.0% average occupancy and as of June 30, 2019, accounted for 36.0% of our total key inventory. We consider our newer hotels that have been operational for less than two complete financial years as of March 31, 2019, subsequent to the later of completion, acquisition, renovation and/or rebranding, as Ramp-Up Assets ("**Ramp-Up Assets**"). Our Ramp-Up Assets have an average operating tenure of less than 11 months and accounted for 64.0% of our total key inventory, as of June 30, 2019. Our strategy is to converge the financial parameters of our Ramp-Up Assets with those of our Mature Assets. The following table sets forth certain information relating to our operational assets for the periods indicated:

	Q1 FY 2020	Q1 FY 2019	FY 2019	FY 2018	FY 2017
Mature Assets					
Number of Keys	1,458	1,458	1,458	1,458	1,458
Average Occupancy* (%)	74.3%	65.9%	71.0%	64.9%	57.8%
Total Income from Mature Assets** (₹ in million)	**1,012.79**	**839.59**	**3,819.83**	**3,211.89**	**2,816.79**
% Change compared to prior period	*20.6%*		*18.9%*	*14.0%*	
Adjusted EBITDA# of Mature Assets (₹ in million)	**383.92**	**255.64**	**1,428.48**	**1,090.05**	**795.20**
% Change compared to prior period	*50.2%*		*31.0%*	*37.1%*	
Ramp-Up Assets					
Number of Keys	2,590	2,475	2,590	2,215	1,434
Average Occupancy* (%)	47.3%	30.1%	40.9%	50.1%	57.9%
Total Income from Ramp-Up Assets*** (₹ in million)	**447.43**	**110.24**	**1,025.99**	**844.77**	**616.34**
% Change compared to prior period	*305.9%*		*21.5%*	*37.1%*	
Adjusted EBITDA# of Ramp-Up Assets (₹ in million)	**32.00**	**(86.27)**	**(117.74)**	**(57.72)**	**170.60**
% Change compared to prior period	*N.A.*		*N.A.*	*-133.8%*	

** Average Occupancy represents the total number of room nights sold expressed as a percentage of the total number of room nights available at our hotels.*

*** Total Income from Mature Assets relates to income derived from individual hotel assets which were considered Mature Assets as of March 31, 2019.*

**** Total Income from Ramp-Up Assets relates to income derived from individual hotel assets which were considered Ramp-Up Assets as of March 31, 2019.*

 # Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortization and exceptional items and it is calculated by taking net profit after tax and adding back tax expense/ (benefits), finance costs, depreciation, amortization expense and exceptional items.

Note: There was an impairment of our hotel asset at Coimbatore resulting in a non-cash operating expense of ₹ 181.15 million for the Financial Year 2018, which impacted our Adjusted EBITDA of Ramp-Up Assets.

Note: We undertook renovation of 12 hotel assets comprising of 1,655 keys in our Ramp-Up Assets portfolio during which the hotels were shut down for a period of six to nine months during Financial Year 2019. This renovation activity had a two-fold impact on our financials – (i) negative EBITDA due to nil revenue during the shutdown period and (ii) increased rate positioning as demonstrated by higher ARRs due to rebranding from Caspia Pro to Holiday Inn Express in 9 hotel assets and from Caspia to Fairfield by Marriott in 3 hotel assets in the last quarter of the Financial Year 2019.

Note: "N.A." has been used in % Change compared to prior period in case of change from negative number to postive number or in case of further decrease in negative number.

We maintain flexibility on choice of brands (and as such, hotel operators) in each asset we acquire, allowing us to find the most appropriate hotel operator and improve returns on the capital we deploy. Our long-term contracts with hotel operators provide our hotels access to their loyalty programs, management and operational expertise, industry best practices, online reservation systems and marketing strategies. Our hotels presently operate under well-established and leading brands such as *Renaissance, Sheraton, Courtyard by Marriott, Fairfield by Marriott* and *Four Points by Sheraton* (each owned by Marriott), *Holiday Inn Express* (owned by IHG) and *Hyatt Regency* and *Hyatt Place* (each owned by Hyatt or its affiliates). We have been able to build strong business relations with these global operators, resulting in the following achievements, each as of June 30, 2019 *(Source: HVS Report):*

- owner of largest number of Marriott operated hotels in India; and
- owner of largest number of IHG operated hotels in India.

Our operations are led by a professional management team that has been with our Company since early days and has a proven track record of growing our business through different business cycles. Ashish Jakhanwala, who is our co-founder and currently the Managing Director and Chief Executive Officer of our Company, has over 23 years of experience across a variety of functions in the hotel industry, including hotel operations, design, consulting and investment. Our leadership team consists of experienced professionals from diverse backgrounds and has raised multiple rounds of institutional capital since our inception.

Significant Factors Affecting Our Results of Operations

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

Acquisition, Renovation and Rebranding of Hotel Assets

The expansion of our portfolio of hotel assets through acquisition, renovation, and/or rebranding is one of the most important factors affecting our results of operations and financial condition. As we add, renovate or rebrand hotel assets in our portfolio, an initial ramp-up period of sub-optimal performance is observed during which operating expenses of the asset may exceed its revenue resulting in an operating loss. However, as these assets mature, we seek to break-even and achieve profitability. Therefore, for any given period, the composition of Mature and Ramp-Up Assets in our portfolio may significantly impact our profitability and financial condition.

We have increased the size of our hotel portfolio and presence across India primarily through the acquisition of hotel assets and we intend to continue to evaluate potential acquisitions in the future. Since our inception, we have acquired 25 hotel assets, of which 23 are operational, as of June 30, 2019 and two, which are under development in Kolkata and Mumbai are expected to be commissioned by September 2020 and March 2021, respectively. These 23 operating hotel assets contributed 68.4% and 65.5% of our Total Income from Assets, for the three months ended June 30, 2019 and Financial Year 2019, respectively. However, our growth strategy is subject to various risks including the inability to identify suitable hotels or properties, consummate transactions on favorable terms and within anticipated timelines, or achieve expected returns and other benefits. Acquisitions may also expose us to risks associated with unforeseen or hidden liabilities, incurring additional debt, diversion of management attention and resources from our existing business and difficulties in integrating acquired hotels with our existing operational infrastructure. Further, after the completion of an acquisition, we typically shut down that property for a period of time to renovate and rebrand it, during which we incur significant expenses. For example, between March – December, 2018, we had shut down 1,655 keys of our operating portfolio for renovations and consequently, during Financial Year 2019, we incurred a total of ₹ 1,598.27 million on the renovations and completion of one of our hotels at Chennai, which had an adverse impact on both our revenue and Adjusted EBITDA for such period.

The impact of such acquisitions and rebranding on our results of operations and financial condition will depend on numerous factors, including the size of each hotel's business and operations, the terms of the acquisition, construction and development delays, time taken for ramp up and stabilizing the hotel operations post opening and our ability to realize the anticipated growth opportunities and synergies. The timing of opening of new hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter. The acquisition of new hotel properties is expected to increase our revenue and operating expenses and may have an impact on our margins.

Our Relationships with Hotel Operators and Leading Hospitality Brands

As of June 30, 2019, 13 of our hotels are operated by Marriott, 10 by IHG and two by Hyatt, pursuant to operating agreements that we have entered into with each of them. We also benefit from agreements with these operators to market our hotels under their respective global brands such as *Sheraton, Courtyard by Marriott, Renaissance, Fairfield by Marriott, Four Points by Sheraton* (each owned by Marriott), *Hyatt Place, Hyatt Regency* (each owned by Hyatt or its affiliates) and *Holiday Inn Express* (owned by IHG). For our hotels, we are generally obliged to pay fees for technical design services, periodic operating fees including management fees and license fees for the use of certain trademarks based on invoices raised, and commercial remittances against invoices for advertising, sales and marketing, promotion, information technology services and related expenses incurred by the hotel operator or their affiliates. The aforementioned management fee and license fee compensate the hotel operators based on a fixed percentage of the gross revenue of the hotel and a specified portion of gross operational profits as incentive fees, subject to the terms of the operator agreements. During the last three financial years, our amounts payable to the hotel operators were in a range of 0.5% to 12.3% of each of our hotel's Total Income.

Our hotel operating agreements are for terms generally ranging from 20 to 30 years with our first renewal for *Four Points by Sheraton* Ahmedabad hotel coming up on December 31, 2023. We may also seek to rebrand our properties by using alternate brands at our hotels or renegotiate terms of our existing operating agreements. In the event our relationships with the hotel operators deteriorate and our operating agreements are terminated, or if we are unable to enter into operating agreements for our new hotels, our results of operations may be adversely affected. See "***Risk Factors – Internal Risk Factors – We have entered into hotel operator and related agreements with Marriott, Hyatt and IHG (and their affiliates) to receive operation and marketing services for our hotels. If these agreements are terminated or not renewed, our business, results of operations and financial condition may be adversely affected.***" on page 26.

Fixed Expenses

Several expenses incurred in our operations such as for power, fuel and water, employee benefits expense, and rental expenses are relatively fixed in nature. During periods when the demand for our hotels decreases, the resulting decline in our revenues could have an adverse effect on our net cash flow, margins and profits. This effect can be more pronounced during periods of economic contraction, or slow economic growth. Similarly, when the demand for hotel rooms increases, our profitability increases disproportionately to the increase in revenues due to economies of scale and operating leverage. Further, during periods when we shut down our hotels for refurbishment and rebranding, we continue to incur certain fixed costs, while not deriving any revenue from such property.

Seasonality and Cyclicality of Our Business

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 guests served. According to the HVS Report, on an average the Indian hotel market experiences high performance in the winter months and low performance during the summers. Seasonality affects leisure travel, including weddings, as well as inbound foreign leisure travel. This seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings. However, business travel is generally more consistent throughout the year.

Further, 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 macro-economic cycles. In addition, the hotel industry and the demand for rooms is also affected by travel advisories, worldwide health concerns, geo-political developments, natural disasters in the region and inflation. 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 our results of operations.

Competition

The hotel industry in India is intensely competitive and our hotels compete with large multinational and Indian companies, in each of the regions in which we operate. More recently, the competition in the hotel industry has increased with the emergence of other institutional players who are acquiring hotel assets. Our success is dependent on our ability to compete on various factors such as room rates, quality of accommodation, location of our hotels, service levels, scope of other amenities, including food and beverage facilities and brand recognition, among others. We may also have to compete with new hotel properties that commence operations in the areas in which we operate. The new supply of hotel rooms in a particular location significantly affects our ability to increase rates charged to customers at our hotels. Our ability to capture the expected growth in tourism and the hotel industry, and respond to the consequent competition in the hotel industry, will be critical to our results of operations in future. See, "***Risk Factors – Internal Risk Factors – We pursue a strategy of expansion through acquisition of hotels or properties and we may not be able to successfully consummate favourable transactions, or such transactions may not yield their intended results***" and "***Risk Factors – Internal Risk Factors – The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition***" on pages 27 and 36, respectively.

Regulations and Policies

Our business is subject to significant governmental regulation, particularly in relation to safety, health, environment, real estate, excise and labour laws. We are subject to laws and regulations governing relationships with employees in such areas as minimum wages and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. An increase in minimum wage rates could result in significantly increased costs for us and reduce our margins and profitability. We are also subject to regulations relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events and weddings at our hotel properties. These regulations and policies can be extensive and amended periodically. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure.

The extensive regulatory structure within which we operate may constrain our flexibility to respond to market conditions, competition or changes in our cost structure, which could have an adverse effect on our business and prospects.

Key indicators of operating performance

We use a variety of financial and other information in monitoring the financial condition and operating performance of our business. Our management also uses other information that may not be financial in nature, including statistical information and comparative data that are commonly used within the hospitality industry to evaluate a hotel's financial and operating performance. Our management uses the following operational parameters to measure the performance of our owned and leased hotels:

Staff-to-Key Ratio is calculated by dividing total staff (both employees and personnel engaged on a contractual basis) by number of available keys in our hotel portfolio.

Average Room Rate ("**ARR**") represents hotel room revenues divided by total number of room nights sold in a given period (including rooms that were available for only a certain portion of that period). ARR measures the average room price attained by a hotel or group of hotels, and ARR trends provide useful information relating to pricing policies and the nature of the guest base of a hotel or group of hotels. Changes in ARR have an impact on overall revenue and profitability.

Average Occupancy represents the total number of room nights sold in a given period expressed as a percentage of the total number of room nights available at a hotel or group of hotels in the same period. Occupancy measures the utilization of our hotels' available capacity. Our management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ARR levels as demand for hotel rooms' increases or decreases.

Revenue per available room ("**RevPAR**") is calculated by multiplying ARR charged and the average occupancy achieved. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenues or transport, telephone and other guest service revenues generated by a hotel. We consider RevPAR to be a meaningful indicator of our performance as it provides a metric correlated to two primary and key drivers of operations at a hotel or group of hotels: average occupancy and ARR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

Total Income from Assets represents revenue generated from our hotel operations (namely room revenue, food & beverage revenue, and recreation and other services) as well as other income which is directly attributable to our hotel operations.

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 room revenues, 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 greater effect on operating profitability than changes in RevPAR driven by occupancy levels.

The table below sets forth certain key parameters for our hotels, for the periods indicated:

	For the three months ended		For the year ended		
	June 30, 2019	**June 30, 2018**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
Mature – Upper Upscale & Upscale					
No. of Keys*	919	919	919	919	919
No. of Hotels*	4	4	4	4	4
Staff-to-Key Ratio#	1.19		1.13		
ARR[1] (₹)	7,236	6,416	6,887	6,289	6,037
Average Occupancy[2]	73.9%	65.3%	71.1%	64.3%	59.4%
RevPAR[3] (₹)	**5,348**	**4,190**	**4,896**	**4,045**	**3,589**
% Change compared to prior period	*27.6%*		*21.0%*	*12.7%*	
Room Revenue	447.25	350.40	1,642.15	1,356.79	1,178.86
% Change compared to prior period	*27.6%*		*21.0%*	*15.1%*	
F&B Revenue	256.03	219.62	969.82	769.48	659.63
% Change compared to prior period	*16.6%*		*26.0%*	*16.7%*	
Recreation & Other Services	43.09	28.46	141.31	122.54	119.38
% Change compared to prior period	*51.4%*		*15.3%*	*2.7%*	
Other Income	15.9	24.3	80.8	93.8	145.6
% Change compared to prior period	*-34.3%*		*-13.9%*	*-35.6%*	
Total Income from Mature – Upper Upscale & Upscale Assets	**762.30**	**622.76**	**2,834.03**	**2,342.62**	**2,103.44**
% Change compared to prior period	*22.4%*		*21.0%*	*11.4%*	
Adjusted EBITDA from Mature – Upper Upscale & Upscale Assets	**287.72**	**175.55**	**1,057.37**	**812.99**	**620.89**
% Change compared to prior period	*63.9%*		*30.1%*	*30.9%*	
Adjusted EBITDA Margin	**37.7%**	**28.2%**	**37.3%**	**34.7%**	**29.5%**
Mature – Mid-scale					
No. of Keys*	539	539	539	539	539
No. of Hotels*	4	4	4	4	4
Staff-to-Key Ratio#	0.78		0.80		
ARR[1] (₹)	4,838	4,527	4,946	4,664	4,575
Average Occupancy[2]	75.0%	66.8%	71.0%	65.9%	54.9%
RevPAR[3] (₹)	**3,631**	**3,024**	**3,511**	**3,075**	**2,512**
% Change compared to prior period	*20.0%*		*14.1%*	*22.4%*	
Room Revenue	177.51	148.31	689.53	602.30	464.26
% Change compared to prior period	*19.7%*		*14.5%*	*29.7%*	
F&B Revenue	57.65	53.71	235.13	210.60	186.72
% Change compared to prior period	*7.3%*		*11.6%*	*12.8%*	
Recreation & Other Services	11.40	7.86	36.12	33.85	29.60
% Change compared to prior period	*45.1%*		*6.7%*	*14.4%*	
Other Income	3.92	6.96	25.01	22.51	32.77
% Change compared to prior period	*-43.6%*		*11.1%*	*-31.3%*	
Total Income from Mature – Mid-scale Assets	**250.49**	**216.84**	**985.80**	**869.26**	**713.35**
% Change compared to prior period	*15.5%*		*13.4%*	*21.9%*	
Adjusted EBITDA from Mature – Mid-scale Assets	**96.19**	**80.09**	**371.11**	**277.05**	**174.32**
% Change compared to prior period	*20.1%*		*33.9%*	*58.9%*	
Adjusted EBITDA Margin	**38.4%**	**36.9%**	**37.6%**	**31.9%**	**24.4%**
Total Income from Mature Assets** (₹ in million)	**1,012.79**	**839.59**	**3,819.83**	**3,211.89**	**2,816.79**
% Change compared to prior period	*20.6%*		*18.9%*	*14.0%*	
Adjusted EBITDA from Mature Assets******	**383.92**	**255.64**	**1,428.48**	**1,090.05**	**795.20**
% Change compared to prior period	*50.2%*		*31.0%*	*37.1%*	

	For the three months ended		For the year ended		
	June 30, 2019	**June 30, 2018**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
Adjusted EBITDA Margin	**37.9%**	**30.4%**	**37.4%**	**33.9%**	**28.2%**
Ramp-Up					
No. of Keys*	2,590	2,475	2,590	2,215	1,434
No. of Hotels*	19	18	19	16	10
Staff-to-Key Ratio[#]	0.54		0.47		
ARR[1] (₹)	3,015	2,936	3,442	2,095	1,907
Average Occupancy[2]	47.3%	30.1%	40.9%	50.1%	57.9%
RevPAR[3] (₹)	**1,426**	**884**	**1,406**	**1,050**	**1,104**
% Change compared to prior period	*61.2%*		*34.0%*	*-4.9%*	
Room Revenue	322.93	66.67	685.15	662.22	485.08
% Change compared to prior period	*384.4%*		*3.5%*	*36.5%*	
F&B Revenue	97.13	32.55	257.32	142.33	95.38
% Change compared to prior period	*198.4%*		*80.8%*	*49.2%*	
Recreation & Other Services	17.24	8.90	51.15	23.77	13.41
% Change compared to prior period	*93.8%*		*115.1%*	*77.2%*	
Other Income	10.13	2.11	32.36	16.45	22.48
% Change compared to prior period	*379.3%*		*96.7%*	*-26.8%*	
Total Income from Ramp-Up Assets* **	**447.43**	**110.24**	**1,025.99**	**844.77**	**616.34**
% Change compared to prior period	*305.9%*		*21.5%*	*37.1%*	
Adjusted EBITDA from Ramp-Up Assets******	**32.00**	**(86.27)**	**(117.74)**	**(57.72)**	**170.60**
% Change compared to prior period	*N.A.*		*N.A.*	*-133.8%*	
Adjusted EBITDA Margin	**7.2%**	**-78.3%**	**-11.5%**	**-6.8%**	**27.7%**

[*] As of the end of each period
[#] Staff-to-Key Ratio is calculated by dividing total staff at the end of the relevant period by number of available keys as of the last date of relevant period. Staff includes employees and personnel engaged on a contractual basis at our hotels.
[1] ARR represents revenue from room rentals of the hotels divided by total number of room nights sold (including rooms that were available for only a certain portion of a period).
[2] Average occupancy represents the total number of room nights sold expressed as a percentage of the total number of room nights available at such hotel.
[3] RevPAR is calculated by multiplying ARR and average occupancy.
[**] Total Income from Mature Assets relates to income derived from individual hotel assets which were considered Mature Assets as of March 31, 2019.
[***] Total Income from Ramp-Up Assets relates to income derived from individual hotel assets which were considered Ramp-Up Assets as of March 31, 2019.
***** Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortization and exceptional items and it is calculated by taking net profit after tax and adding back tax expense/ (benefits), finance costs, depreciation, amortization expense and exceptional items.*
Note: "N.A." has been used in % Change compared to prior period in case of change from negative number to postive number or in case of further decrease in negative number.

Significant Accounting Policies and Basis of Preparation and Presentation

Basis of consolidation

Business Combinations (other than common control business combinations)

In accordance with Ind AS 103, we account for business combinations using the acquisition method when control is transferred to us. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ("**OCI**") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Subsidiaries

Subsidiaries are entities controlled by us. We control an entity when it is exposed to, or has rights to, variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity. The financial statements of subsidiaries are included in the Restated Financial Statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

Non-controlling interests ("**NCI**") are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in our equity interest in a subsidiary that does not result in a loss of control is accounted for as equity transactions.

Loss of control

When we lose control over a subsidiary, we derecognise the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of our interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment including capital work in progress are measured at cost less accumulated depreciation and any accumulated impairment losses if any.

Cost comprises the purchase price, import duties and other non-refundable taxes or levies, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs and disposal

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that the future economic benefits associated with the expenditure will flow to us. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure, are charged to the profit or loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Depreciation

Depreciation on Property, plant and equipment is calculated using the straight-line method ("**SLM**") to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management based on technical estimates). Further, Right of Use (Land), Right of Use (Building) and leasehold improvements are depreciated over the shorter of lease term and their useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life. Depreciation on addition/ (disposals) is provided on a pro-rata basis i.e. from/ (upto) the date on which the asset is ready for use/ (disposed off).

The management estimate of the useful life of various categories of assets is as follows:

Asset Category*	Useful Life (Years)	Useful life as per Schedule II (Years)
Building	15-60	60
Computers and accessories	3-6	3-6
Plant and machinery	3-30	15
Furniture and fixtures	5-8	10
Vehicles	8	8
Office equipment	3-10	5

* *For the above class of assets, the management based on internal technical evaluation, has determined that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives of few assets included in the above asset categories are different from the useful lives as prescribed under the statute governing companies in India.*

Freehold land is not depreciated.

Goodwill and Intangible assets

Goodwill

For measurement of goodwill that arises on a business combination (Refer note 2.1 of the restated consolidated financial information). Subsequent measurement is at cost less any accumulated impairment losses.

Intangible assets

Recognition and measurement

Intangible assets that are acquired by us are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

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

Amortisation

Our intangible assets represents computer software. Computer software are amortized using the straight-line method over the estimated useful life (at present three to ten years) or the tenure of the respective software license, whichever is lower. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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 recognized in the profit or loss when the asset is derecognized.

Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when we become a party to the contractual provisions of the instrument.

All financial instruments are initially recognised at fair value. 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 of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, we recognise the difference as a gain or loss at inception ("**day 1 gain or loss**"). In all other cases, the entire day 1 gain or loss is deferred and recognised in the income statement over the life of the transaction until the transaction matures or is closed out.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value through the statement of Other Comprehensive Income ("**FVTOCI**") – debt investment;
- FVTOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period we change our business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

We make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management, for instance the stated policies and objectives for the portfolio, frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, we consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, we consider:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features;

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

We derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which we neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

If we enter into transactions whereby we transfer assets recognised in our restated consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

We derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

We also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the restated consolidated statement of asset and liabilities when, and only when, we currently have a legally enforceable right to set off the amounts and we intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Such guarantees are initially measured at fair value and subsequently at the higher of:

- the expected credit loss allowance determined in accordance with Ind AS 109 – 'Financial Instruments'; and
- the amount recognised initially less, when appropriate, cumulative amortisation recognised in accordance with Ind AS 18 - 'Revenue Recognition'.

Derivative financial instruments and hedge accounting

We hold derivative financial instruments to hedge our interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

We designate certain derivatives as hedging instruments to hedge the variable interest rate risk associated with borrowings (cash flow hedges).

At inception of designated hedging relationships, we document the risk management objective and strategy for undertaking the hedge. We also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

Modification of financial assets and liabilities

Financial assets:

If the terms of a financial asset are modified, we evaluate whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, we recalculate the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Financial Liabilities:

We derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Fully Compulsorily convertible debentures (issued to International Financial Corporation)

Our Company has issued fully compulsorily convertible debentures ("**FCCDs**") to International Financial Corporation ("**IFC**"). As per the terms of debenture agreement, each debenture will be converted in to equity shares based on an agreed conversion formula (fixed to variable conversion). Accordingly, the whole amount has been treated as financial liability in books and carried at amortised cost.

Further, the conversion of FCCDs into equity shares is based on our Company achieving certain IRR% (i.e. internal rate of return) in foreign currency (USD) terms. Our Company has identified the foreign currency IRR as an embedded derivative. As the risks associated with the underlying variable are not closely related to the host instrument, the foreign currency embedded derivative has been separately accounted for from the FCCDs. The foreign currency embedded derivative has been fair valued through profit or loss at each balance sheet date.

Impairment

Impairment of financial instruments

We recognise loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, we assess whether financial assets carried at amortised cost and debt securities at FVTPL are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by us on terms that we would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

We measure loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses.

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the

expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which we are exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, we consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our historical experience and informed credit assessment and including forward- looking information.

We consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to us in full, without recourse by us to actions such as realising security (if any is held); or
- the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to us in accordance with the contract and the cash flows that we expect to receive).

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 analysed.

Presentation of allowance for expected credit losses in the restated consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when we determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with our procedures for recovery of amounts due.

Impairment of Non-financial assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount. The recoverable amount is the greater of the asset’s (or cash generating unit’s) net selling price and value in use. 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 risks specific to the asset (or cash generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories which comprises stock of food and beverages (including liquor), operating supplies and stock-in-trade are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to their present location and condition. In determining the cost, first in first out ("**FIFO**") method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale.

Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) we will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Export Promotion Capital Goods scheme

The grant or subsidy received to compensate the import cost of assets, subject to an export obligation is recognised in the Restated Consolidated Statement of Profit and Loss in ratio of fulfilment of associated export obligations.

Service Exports from India scheme (SEIS)

The scheme entitles us to receive SEIS licenses basis the annual earnings in foreign currency. These licenses can be utilised by us or sold in the market. The grant is recognised in the Restated Consolidated Statement of Profit and Loss on an accrual basis at realizable value.

Provisions

A provision is recognized when we have a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

We record a provision for site restoration costs to be incurred for the restoration of leasehold land at the end of the lease period. The provision is measured at the present value of the best estimate of the expected costs to settle the obligation and recognised as part of the cost of property, plant and equipment. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the costs of the asset and site restoration obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provisions are reviewed by the management at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond our control or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation whose amount cannot be estimated reliably. We do not recognize a contingent liability but discloses its existence in the Restated Financial Statements.

Borrowing Cost

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by us in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition and/or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Capitalisation of borrowing costs is suspended in the period during which active development is delayed due to interruption, other than temporary interruption. Other borrowing costs are recognised as an expense in the restated consolidated Statement of Profit and Loss in the period in which they are incurred. Borrowing cost related to borrowings made specifically for the purpose of obtaining a qualifying asset that remain outstanding after substantially all the activities necessary to prepare that asset for its intended use or sale are complete are considered as part of the general borrowing costs of the entity.

Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, short-term bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees under the Employee Stock Option Scheme is recognised as an employee stock option expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in "Employee stock option outstanding account", as a separate component in equity. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Post-employment benefits

Defined contribution plan – Provident fund and Employee State Insurance

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amounts. Provident fund scheme and employee state insurance are defined contribution schemes. We make specified monthly contributions towards these schemes. Our contributions are recorded as an expense in the Profit or loss during the period in which the employee renders the related service. If the contribution already paid is less than the contribution payable to the scheme for service received before the balance sheet date, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plan – Gratuity

Our gratuity scheme is a defined benefit plan. The present value of obligations under such defined benefit plans are determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on government securities as at the balance sheet date, having maturity period approximating to the terms of related obligations.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in consolidated other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the profit or loss as past service cost.

Other long-term employee benefit obligations – Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. We record an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue is net of indirect taxes and discounts.

Room revenue, sale of food and beverages, recreation services and property management services

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue comprises room revenue, sale of food and beverages, property management services, recreation and other services relating to hotel operations. Revenue is recognised upon rendering of the services and sale of food and beverages.

Space rentals

Space rental income comprises amount earned for use of hotel premises space by other parties. The income is recognised when services are rendered as per the terms of the contract and no significant uncertainty exists regarding the collection of the consideration.

Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which our right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting for Foreign Currency Transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the profit or loss on a net basis.

Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Minimum Alternate Tax ("**MAT**") for the year is charged to the Restated Consolidated Balance Sheet.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, we recognise a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

MAT credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to us and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which we become liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Restated Consolidated Summary Statement of Assets and Liabilities. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and we intend to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**").

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 CODM to allocate resources to the segments and assess their performance. An operating segment is our component that engages in business activities from which we earn revenues and incurs expenses, including revenues and expenses that relate to transactions with any of our other components.

Leases (Ind AS 116)

We have applied Ind AS 116 - Leases using the modified retrospective approach.

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- we have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- we have the right to direct the use of the asset. We have this right when we have the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, we have the right to direct the use of the asset if either:

    - we have the right to operate the asset; or
    - we have designed the asset in a way that predetermines how and for what purpose it will be used.

As a lessee

We recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

We have also availed the option of recognising right-of-use asset equivalent to lease liability at the transition date of April 1, 2016 for some of our leases.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate. Generally, we use our incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that we are reasonably certain to exercise, lease payments in an optional renewal period if we are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless we are reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in our estimate of the amount expected to be payable under a residual value guarantee, or if we change its assessment of whether we will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
We present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'other non-current financial liabilities' in the statement of financial position.

We have elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. We recognise lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When we act as a lessor, we determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, we make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, we consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

We recognise lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

Asset given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, we apportion lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs brokerage costs etc, if incurred, are recognized immediately in the Statement of Profit and Loss.

Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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, except where the results would be anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques 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.

Non-current assets held for sale

Non-current assets held for sale comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

Income and Expenses

The following descriptions set forth information with respect to key components of our statement of profit and loss:

Income

Income includes (i) revenue from operations; and (ii) other income.

Revenue from operations. Our revenue from operations consists of sale of services at our hotels which primarily consist of the following:

- room revenue - income received from occupied rooms;
- food and beverage revenue – income from sale of food and beverages, sale of liquor and wine, rental income from meeting and banquet spaces, equipment rental for events, room service and in-room mini bars;
- recreation and other services - income from customer services, including transport car hire, telecom and internet, laundry, spa and wellness, business center usage and space rentals (i.e. income from rent received for usage of commercial spaces within our hotel assets including offices, retail, and other ancillary facilities).

Other income. Income received from government grants includes credit received under the Export Promotion Capital Goods Scheme ("EPCG Scheme") and Served from India Scheme ("SFIS"), interest income derived from bank deposits and profit on redemption of mutual funds.

Expenditure

Cost of materials consumed. This comprises expenses towards consumption of all food and beverage items (including alcoholic and non-alcoholic beverages, banquet costs, room service and restaurants), groceries and food staples.

Employee benefits expense. Employee benefits expense primarily comprises expenses incurred towards salaries, wages and bonus, staff welfare expenses, contributions to the provident fund and other funds and compensated absences.

Other expenses. Other expenses primarily comprise expenses for power, fuel and water, management and incentive fees, commission paid, legal and professional fees, advertisement and business promotion expenses and rates and taxes.

Finance costs. Finance costs primarily comprise interest expense on loans from banks and institutions, interest expense on FCCDs issued to IFC, other finance costs and interest expense on lease liability.

Depreciation and amortization expense. Depreciation and amortization expenses comprises depreciation on tangible assets and amortization on intangible assets.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the three months ended June 30, 2019 and 2018 and Financial Years 2019, 2018 and 2017, the components of which are also expressed as a percentage of total revenue for such periods:

	For the three months ended				For the year ended					
	June 30, 2019		June 30, 2018		March 31, 2019		March 31, 2018		March 31, 2017	
	(₹ *in million*)	**(% of Total Income)**	**(₹ *in million*)**	**(% of Total Income)**	**(₹ *in million*)**	**(% of Total Income)**	**(₹ *in million*)**	**(% of Total Income)**	**(₹ *in million*)**	**(% of Total Income)**
Income:										
Revenue from operations	1,430.23	97.1%	916.49	94.3%	4,707.69	96.1%	3,923.89	93.4%	3,232.31	90.5%
Other income	42.20	2.9%	55.17	5.7%	193.29	3.9%	277.74	6.6%	339.39	9.5%
Total Income	**1,472.43**	**100.0%**	**971.66**	**100.0%**	**4,900.98**	**100.0%**	**4,201.63**	**100.0%**	**3,571.70**	**100.0%**
Expenses:										
Cost of materials consumed	(127.91)	(8.7)%	(87.69)	(9.0)%	(426.89)	(8.7)%	(365.71)	(8.7)%	(308.04)	(8.6)%
Purchase of stock-in-trade	-	-	-	-	-	-	-	-	(0.55)	(0.0)%
Changes in inventories of stock-in-trade	-	-	(0.39)	(0.0)%	(0.39)	(0.0)%	(0.13)	(0.0)%	0.52	0.0%
Employee benefits expense	(335.03)	(22.8)%	(266.36)	(27.4)%	(1,167.46)	(23.8)%	(914.68)	(21.8)%	(849.51)	(23.8)%
Other expenses	(661.81)	(44.9)%	(501.90)	(51.7)%	(2,223.38)	(45.4)%	(2,102.14)	(50.0)%	(1,633.13)	(45.7)%
Total Operating Expenses	**(1,124.75)**	**(76.4)%**	**(856.34)**	**(88.1)%**	**(3,818.12)**	**(77.9)%**	**(3,382.66)**	**(80.5)%**	**(2,790.71)**	**(78.1)%**
Earnings before finance cost, depreciation, amortisation, tax and exceptional items[#]	**347.68**	**23.6%**	**115.32**	**11.9%**	**1,082.86**	**22.1%**	**818.97**	**19.5%**	**780.99**	**21.9%**
Finance costs	(624.79)	(42.4)%	(557.29)	(57.4)%	(2,256.09)	(46.0)%	(1,704.65)	(40.6)%	(1,216.14)	(34.0)%
Depreciation and amortization expense	(316.11)	(21.5)%	(299.35)	(30.8)%	(1,222.77)	(24.9)%	(1,144.93)	(27.2)%	(1,029.27)	(28.8)%
Loss before tax and exceptional items	**(593.22)**	**(40.3)%**	**(741.32)**	**(76.3)%**	**(2,396.00)**	**(48.9)%**	**(2,030.61)**	**(48.3)%**	**(1,464.42)**	**(41.0)%**
Exceptional items	-	-	(495.73)	(51.0)%	(633.88)	(12.9)%	-	-	-	-
Loss before tax	**(593.22)**	**(40.3)%**	**(1,237.05)**	**(127.3)%**	**(3,029.88)**	**(61.8)%**	**(2,030.61)**	**(48.3)%**	**(1,464.42)**	**(41.0)%**
Tax expense:										
Current tax	(4.50)	(0.3)%	-	-	(15.56)	(0.3)%	-	-	-	-
Tax for prior years/periods		-	(2.88)	(0.3)%	(2.88)	(0.1)%	-	-	-	-
Deferred tax	11.30	0.8%	14.26	1.5%	14.18	0.3%	175.05	4.2%	262.23	7.3%
MAT receivable	-	-	-	-	-	-	-	-		-
Loss for the year/period	**(586.42)**	**(39.8)%**	**(1,254.19)**	**(129.1)%**	**(3,034.19)**	**(61.9)%**	**(1,855.56)**	**(44.2)%**	**(1,202.19)**	**(33.7)%**
Other comprehensive income/loss, net of tax	**1.07**	**(0.0)%**	**4.50**	**(0.5)%**	**11.31**	**(0.2)%**	**39.02**	**(0.9)%**	**(10.51)**	**(0.3)%**
Total comprehensive loss for the year/period	**(585.35)**	**(39.8)%**	**(1,249.69)**	**(128.6)%**	**(3,022.83)**	**(61.7)%**	**(1,816.54)**	**(43.2)%**	**(1,212.70)**	**(34.0)%**

[#]*Refer to "**Other Financial Information – Restated Consolidated Statement of Accounting Ratios – Note 8 – Reconciliation of profit after tax to Adjusted EBITDA**" on page 260.*

Three months ended June 30, 2019 compared to three months ended June 30, 2018

Our results of operations for the three months ended June 30, 2019 compared to the three months ended June 30, 2018 were particularly affected by the following factors:

- occupancy and ARR growth in our Mature Assets, particularly in Upper Upscale and Upscale hotel segments which demonstrated a 27.6% RevPAR growth from ₹ 4,190 for the three months ended June 30, 2018 to ₹ 5,348 for the three months ended June 30, 2019; and
- introduction of an additional 1,665 keys into operation due to launch of one new Ramp-Up Asset and stabilization of the balance 18 Ramp-Up Assets resulting in higher fixed costs relative to income.

Income

Our total income increased by ₹ 500.77 million or 51.5% from ₹ 971.66 million for the three months ended June 30, 2018 to ₹ 1,472.43 million for the three months ended June 30, 2019 due to an increase in revenue from operations which was partially offset by a decrease in other income.

Revenue from operations. Our revenue from operations increased by ₹ 513.74 million or 56.1% from ₹ 916.49 million for the three months ended June 30, 2018 to ₹ 1,430.23 million for the three months ended June 30, 2019 primarily due to:

- an increase in our room revenue from ₹ 565.39 million for the three months ended June 30, 2018 to ₹ 947.69 million for the three months ended June 30, 2019, primarily in line with an increase in occupancy and ARR of our Mature Assets. In particular, our average occupancy for our Mature Assets increased from 65.9% for the three months ended June 30, 2018 to 74.3% for the three months ended June 30, 2019;
- an increase in food and beverage revenue from ₹ 305.89 million for the three months ended June 30, 2018 to ₹ 410.81 million for the three months ended June 30, 2019; and
- an increase in revenue from recreation and other services from ₹ 42.90 million for the three months ended June 30, 2018 to ₹ 62.72 million for the three months ended June 30, 2019.

Other income. Our other income decreased by ₹ 12.97 million or 23.5% from ₹ 55.17 million for the three months ended June 30, 2018 to ₹ 42.20 million for the three months ended June 30, 2019, primarily due to reduction in interest income derived from bank deposits.

Expenses

Our total expenses increased by ₹ 268.41 million or 31.3% from ₹ 856.34 million for the three months ended June 30, 2018 to ₹ 1,124.75 million for the three months ended June 30, 2019.

Cost of materials consumed. Our cost of materials consumed increased by ₹ 40.22 million or 45.9% from ₹ 87.69 million for the three months ended June 30, 2018 to ₹ 127.91 million for the three months ended June 30, 2019, in line with the increase in our food and beverage revenue from operations.

Employee benefits expense. Our employee benefits expense increased by ₹ 68.67 million or 25.8% from ₹ 266.36 million for the three months ended June 30, 2018 to ₹ 335.03 million for the three months ended June 30, 2019, primarily due to increase in salaries, wages and bonus from ₹ 214.36 million for the three months ended June 30, 2018 to ₹ 270.54 million for the three months ended June 30, 2019 and an increase in staff welfare expenses from ₹ 28.61 million for the three months ended June 30, 2018 to ₹ 37.77 million for the three months ended June 30, 2019 primarily as a result of increase in our number of employees in line with increase in number of keys in our portfolio and compensation increments given to employees. Our number of employees increased from 2,360 employees as of June 30, 2018 to 2,911 employees as of June 30, 2019.

Other expenses. Our other expenses increased by ₹ 159.91 million or 31.9% from ₹ 501.90 million for the three months ended June 30, 2018 to ₹ 661.81 million for the three months ended June 30, 2019, primarily as a result of:

- an increase in power, fuel and water expenses from ₹ 112.90 million for the three months ended June 30, 2018 to ₹ 146.64 million for the three months ended June 30, 2019 due to an increase in average occupancy levels at our hotels;
- an increase in management and incentive fees incurred from ₹ 34.20 million for the three months ended June

30, 2018 to ₹ 61.12 million for the three months ended June 30, 2019 on account of higher revenues and gross operating profit;

- an increase in commission incurred from ₹ 25.52 million for the three months ended June 30, 2018 to ₹ 42.63 million for the three months ended June 30, 2019; and
- an increase in advertisement and business promotion expenses from ₹ 37.04 million for the three months ended June 30, 2018 to ₹ 48.21 million for the three months ended June 30, 2019 in line with our growth and business strategy.

Finance costs. Our finance costs increased from ₹ 557.29 million for the three months ended June 30, 2018 to ₹ 624.79 million for the three months ended June 30, 2019 primarily on account of interest expense towards loans from banks and institutions increasing from ₹ 500.92 million for the three months ended June 30, 2018 to ₹ 546.66 million for the three months ended June 30, 2019 in line with the increase in our average weighted indebtedness.

Depreciation and amortisation costs. Our depreciation and amortisation expense increased by ₹ 16.76 million or 5.6% from ₹ 299.35 million for the three months ended June 30, 2018 to ₹ 316.11 million for the three months ended June 30, 2019 due to increase in gross block driven by additional capital expenditure for renovation and rebranding of certain Ramp-Up Assets.

Exceptional items. For the three months ended June 30, 2018, we had exceptional items of ₹ 495.73 million on account of loss on sale of property, plant and equipment of ₹ 119.82 million and ₹ 375.91 million accelerated depreciation on rebranding of hotels in our portfolio. There were no exception items for the three months ended June 30, 2019.

Tax expense. For the three months ended June 30, 2018 our tax expense was ₹ 17.14 million comprising of deferred tax of ₹ 14.26 million and tax for prior period of ₹ 2.88 million. For the three months ended June 30, 2019 our tax credit was ₹ 6.80 million comprising of deferred tax credit of ₹ 11.30 million and current tax expense of ₹ 4.50 million.

Loss for the period. Our loss for the period decreased by ₹ 667.77 million from ₹ 1,254.19 million for the three months ended June 30, 2018 to ₹ 586.42 million for the three months ended June 30, 2019.

Total comprehensive loss for the period. Our total comprehensive loss for the period decreased by ₹ 664.34 million from ₹ 1,249.69 million for the three months ended June 30, 2018 to ₹ 585.35 million for the three months ended June 30, 2019. Total comprehensive loss for the period represented 128.6% and 39.8% of our total income for the three months ended June 30, 2018 and 2019, respectively.

Financial Year 2019 compared to Financial Year 2018

Our results of operations for the Financial Year 2019 compared to the Financial Year 2018 were particularly affected by the following factors:

- occupancy and ARR growth in our Mature Assets, particularly in Upper Upscale and Upscale hotel segments which demonstrated a 21.0% RevPAR growth from ₹ 4,045 for the Financial Year 2018 to ₹ 4,896 for the Financial Year 2019; and
- renovation of 12 hotel assets comprising of 1,655 keys in our Ramp-Up Assets portfolio during which the hotels were shut down for a period of six to nine months during Financial Year 2019. This renovation activity had a two-fold impact on our profit and loss account – (i) negative Adjusted EBITDA due to nil revenue during the shutdown period and (ii) increased rate positioning as demonstrated by higher ARRs due to rebranding from Caspia Pro to *Holiday Inn Express* in 9 hotel assets and from Caspia to *Fairfield by Marriott* in 3 hotel assets in the last quarter of the Financial Year 2019.

Income

Our total income increased by ₹ 699.35 million or 16.6% from ₹ 4,201.63 million for the Financial Year 2018 to ₹ 4,900.98 million for the Financial Year 2019 due to an increase in revenue from operations which was partially offset by a decrease in other income.

Revenue from operations. Our revenue from operations increased by ₹ 783.80 million or 20.0% from ₹ 3,923.89 million for the Financial Year 2018 to ₹ 4,707.69 million for the Financial Year 2019 primarily due to:

- an increase in our room revenue from ₹ 2,621.31 million for the Financial Year 2018 to ₹ 3,016.84 million for the Financial Year 2019, primarily in line with an increase in occupancy and ARR of our Mature Assets. In particular, our average occupancy for our Mature Assets increased from 64.9% for the Financial Year 2018 to 71.0% for the Financial Year 2019;
- an increase in food and beverage revenue from ₹ 1,122.41 million for the Financial Year 2018 to ₹ 1,462.27 million for the Financial Year 2019, primarily due to growth in our average occupancy and recognition of food and beverage revenues in relation to hotel operations at Hyatt Regency Pune driven by the expansion of meeting spaces; and
- an increase in revenue from recreation and other services from ₹ 168.54 million for the Financial Year 2018 to ₹ 209.14 million for the Financial Year 2019 primarily due to leasing of commercial space at *Sheraton Hyderabad*.

Other income. Our other income decreased by ₹ 84.46 million or 30.4% from ₹ 277.74 million for the Financial Year 2018 to ₹ 193.29 million for the Financial Year 2019, primarily due to reduction in interest income derived from bank deposits.

Expenses

Our total expenses increased by ₹ 435.46 million or 12.9% from ₹ 3,382.66 million for the Financial Year 2018 to ₹ 3,818.12 million for the Financial Year 2019, primarily due to an increase in other expenses and employee benefits expense, including as a result of renovation carried out at 12 of our Ramp-Up Assets that continued to incur expenses whilst generating nil revenue during the shutdown period which varied between six to nine months depending on the hotel asset.

Cost of materials consumed. Our cost of materials consumed increased by ₹ 61.18 million or 16.7% from ₹ 365.71 million for the Financial Year 2018 to ₹ 426.89 million for the Financial Year 2019, in line with an increase in our food and beverage revenue from our hotels and in line with the increase in the food and beverages income.

Employee benefits expense. Our employee benefits expense increased by ₹ 252.78 million or 27.6% from ₹ 914.68 million for the Financial Year 2018 to ₹ 1,167.46 million for the Financial Year 2019, primarily due to increase in salaries, wages and bonus from ₹ 768.58 million for the Financial Year 2018 to ₹ 936.24 million for the Financial Year 2019, an increase in staff welfare expenses from ₹ 80.34 million for the Financial Year 2018 to ₹ 124.51 million for the Financial Year 2019 and an increase in contribution to provident fund and other funds from ₹ 50.27 million for the Financial Year 2018 to ₹ 82.30 million for the Financial Year 2019 primarily as a result of increase in our number of employees in line with increase in number of keys in our portfolio and compensation increments given to employees. Our number of employees increased from 2,341 employees as of March 31, 2018 to 2,911 employees as of March 31, 2019.

Other expenses. Our other expenses increased by ₹ 121.24 million or 5.8% from ₹ 2,102.14 million for the Financial Year 2018 to ₹ 2,223.38 million for the Financial Year 2019, primarily as a result of:

- an increase in power, fuel and water expenses from ₹ 402.69 million for the Financial Year 2018 to ₹ 460.70 million for the Financial Year 2019 due to an increase in average occupancy levels at our hotels;
- a loss on foreign exchange fluctuation (net) from 0.00 in Financial Year 2018 to ₹ 43.75 million for the Financial Year 2019 on account of mark to market loss recorded on repayment of a foreign currency loan;
- an increase in management and incentive fees incurred from ₹ 142.93 million for the Financial Year 2018 to ₹ 209.24 million for the Financial Year 2019 on account of higher revenues and gross operating profit; and
- an increase in advertisement and business promotion expenses from ₹ 170.33 million for the Financial Year 2018 to ₹ 184.49 million for the Financial Year 2019 in line with our growth and business strategy.

Finance costs. Our finance costs increased from ₹ 1,704.65 million for the Financial Year 2018 to ₹ 2,256.09 million for the Financial Year 2019 primarily on account of interest expense towards loans from banks and institutions increasing from ₹ 1,549.45 million for the Financial Year 2018 to ₹ 1,995.17 million for the Financial Year 2019 and other finance cost increasing from ₹ 43.79 million for the Financial Year 2018 to ₹ 110.07 million for the Financial Year 2019 in line with the increase in our average weighted indebtedness. In addition, our interest expense on FCCDs issued to IFC increased from ₹ 131.69 million for the Financial Year 2018 to ₹ 142.88 million for the Financial Year 2019.

Depreciation and amortisation costs. Our depreciation and amortisation expense increased by ₹ 77.84 million or 6.8% from ₹ 1,144.93 million for the Financial Year 2018 to ₹ 1,222.77 million for the Financial Year 2019, primarily due to addition in property, plant and equipment. This was on account of new asset openings in Chennai and increase in gross block driven by additional capital expenditure for renovation and rebranding of certain Ramp-Up Assets.

Exceptional items. For the Financial Year 2019, we had exceptional items of ₹ 119.82 million on account of loss on sale of property, plant and equipment, ₹ 375.91 million due to accelerated depreciation on rebranding in relation to hotels which were closed for renovation during the year and ₹ 138.15 million mark to market loss on reclassification of asset held for sale.

Tax expense. For the Financial Year 2018 our tax credit was ₹ 175.05 million comprising of deferred tax credit. For the Financial Year 2019 our tax expense was ₹ 4.26 million comprising of deferred tax credit of ₹ 14.18 million, tax for prior period of ₹ 2.88 million and current tax expense of ₹ 15.56 million.

Loss for the year. Our loss for the year increased by ₹ 1,178.58 million from ₹ 1,855.56 million for the Financial Year 2018 to ₹ 3,034.14 million for the Financial Year 2019.

Total comprehensive loss for the year. Our total comprehensive loss for the year increased by ₹ 1,206.29 million from ₹ 1,816.54 million for the Financial Year 2018 to ₹ 3,022.83 million for the Financial Year 2019. Loss for the year represented 43.2% and 61.7% of our total income for the Financial Year 2018 and 2019, respectively.

Financial Year 2018 compared to Financial Year 2017

Our results of operations for the Financial Year 2018 compared to the Financial Year 2017 were particularly affected by the following factors:

- 12.7% increase in RevPAR for our Mature Assets, particularly the hotels in Upper Upscale and Upscale hotel segments wherein RevPAR increased from ₹ 3,589 for the Financial Year 2017 to ₹ 4,045 for the Financial Year 2018; and
- Impairment of our hotel asset located at Coimbatore resulting in a non-cash expense of ₹ 181.15 million for the Financial Year 2018, which impacted our Loss for the Year.

Income

Our total income increased by ₹ 629.93 million or 17.6% from ₹ 3,571.70 million for the Financial Year 2017 to ₹ 4,201.63 million for the Financial Year 2018 due to an increase in revenue from operations which was partially offset by a decrease in other income.

Revenue from operations. Our revenue from operations increased by ₹ 691.58 million or 21.4% from ₹ 3,232.31 million for the Financial Year 2017 to ₹ 3,923.89 million for the Financial Year 2018 primarily due to:

- an increase in our room revenue from ₹ 2,128.20 million for the Financial Year 2017 to ₹ 2,621.31 million for the Financial Year 2018, primarily in line with an increase in the occupancy levels of our Mature Assets;
- an increase in food and beverage revenue from ₹ 941.72 million for the Financial Year 2017 to ₹ 1,122.41 million for the Financial Year 2018 primarily due to recognition of food and beverage revenues in relation to hotels added to our portfolio as part of acquisition of Argon; and
- an increase in revenue from recreation and other services from ₹ 156.86 million for the Financial Year 2017 to ₹ 168.54 million for the Financial Year 2018.

Other income. Our other income decreased by ₹ 61.65 million or 18.2% from ₹ 339.39 million for the Financial Year 2017 to ₹ 277.74 million for the Financial Year 2018, primarily due to reduction in profit on redemption of mutual funds and reduction in government grants received.

Expenses

Our total expenses increased by ₹ 591.95 million or 21.2% from ₹ 2,790.71 million for the Financial Year 2017 to ₹ 3,382.66 million for the Financial Year 2018, primarily due to an increase in other expenses and employee benefits expense.

Cost of materials consumed. Our cost of materials consumed increased by ₹ 57.67 million or 18.7% from ₹ 308.04 million for the Financial Year 2017 to ₹ 365.71 million for the Financial Year 2018, in line with an increase in food and beverage revenue from our hotels.

Employee benefits expense. Our employee benefits expense increased by ₹ 65.17 million or 7.7% from ₹ 849.51 million for the Financial Year 2017 to ₹ 914.68 million for the Financial Year 2018, primarily due to increase in salaries, wages and bonus from ₹ 654.49 million for the Financial Year 2017 to ₹ 768.58 million for the Financial Year 2018, increase in contribution to provident fund and other funds from ₹ 39.84 million for the Financial Year 2017 to ₹ 50.27 million for the Financial Year 2018 and increase in compensated absences expense from ₹ 10.22 million for the Financial Year 2017 to ₹ 14.95 million for the Financial Year 2018 primarily as a result of increase in our number of employees in line with increase in number of keys in our portfolio and compensation increments given to employees. Our number of employees increased from 1,886 employees as of March 31, 2017 to 2,341 employees as of March 31, 2018.

Other expenses. Our other expenses increased by ₹ 469.01 million or 28.7% from ₹ 1,633.13 million for the Financial Year 2017 to ₹ 2,102.14 million for the Financial Year 2018, primarily as a result of:

- a loss on impairment of ₹ 181.15 million of our hotel asset located at Coimbatore for the Financial Year 2018. There was no impairment of assets in Financial Year 2017;
- an increase in commission incurred from ₹ 117.76 million for the Financial Year 2017 to ₹ 161.98 million for the Financial Year 2018;
- an increase in rates and taxes from ₹ 100.70 million for the Financial Year 2017 to ₹ 140.00 million for the Financial Year 2018;
- an increase in repair and maintenance expense for buildings, machinery and others from ₹ 148.09 million for the Financial Year 2017 to ₹ 186.77 million for the Financial Year 2018; and
- an increase in management and incentive fees incurred from ₹ 115.91 million for the Financial Year 2017 to ₹ 142.93 million for the Financial Year 2018 on account of higher revenues and gross operating profit.

Finance costs. Our finance costs increased from ₹ 1,216.14 million for the Financial Year 2017 to ₹ 1,704.65 million for the Financial Year 2018 primarily on account of interest expense towards loans from banks and institutions increasing from ₹ 1,155.49 million for the Financial Year 2017 to ₹ 1,549.45 million for the Financial Year 2018 in line with the increase in our average borrowing, decrease in gain in exchange difference regarded as adjustment of borrowing costs from ₹ 44.02 million for the Financial Year 2017 to a gain of ₹ 2.09 million for the Financial Year 2018 primarily on account of mark to market loss recorded in relation to our foreign exchange exposure and other finance cost increasing from ₹ 19.80 million for the Financial Year 2017 to ₹ 43.79 million for the Financial Year 2018.

Depreciation and amortisation costs. Our depreciation and amortisation expense increased by ₹ 115.66 million or 11.2% from ₹ 1,029.27 million for the Financial Year 2017 to ₹ 1,144.93 million for the Financial Year 2018, primarily due to addition in property, plant and equipment. This was on account of the acquisition of four operating hotel assets in Goa, Bangalore, Pune and Delhi.

Tax expense. For the Financial Year 2017 our tax credit was ₹ 262.23 million comprising of deferred tax credit. For the Financial Year 2018 our tax credit was ₹ 175.05 million comprising of deferred tax credit.

Loss for the year. Our loss for the year increased by ₹ 653.37 million from ₹ 1,202.19 million for the Financial Year 2017 to ₹ 1,855.56 million for the Financial Year 2018.

Total comprehensive loss for the year. Our total comprehensive loss for the year increased by ₹ 603.84 million from ₹ 1,212.70 million for the Financial Year 2017 to ₹ 1,816.54 million for the Financial Year 2018. Loss for the year represented 34.0% and 43.2% of our total income for the Financial Year 2017 and 2018, respectively.

Liquidity and Capital Resources

The purpose of our liquidity management function is to ensure that we have sufficient funds available to operate our business operations, to repay principal and interest on our borrowings and to fund our working capital requirements. We have access to diverse sources of liquidity such as term loans and working capital facilities. We typically invest our surplus cash in fixed deposits with banks and financial institutions and units of liquid mutual funds. All our loan agreements contain a number of covenants including financial covenants. For details, see "***Risk Factors – Internal Risk Factors – We may require additional equity or debt financing in the future in order to continue to grow our business, which may not be available on favourable terms, or at all***" and "***Financial Indebtedness***" on pages 43 and 262, respectively.

We believe that our cash flows from operations, together with the proceeds from this Issue, will be sufficient to fund our currently expected capital expenditures, operating expenses and cash requirements for the next 12 months.

Cash Flows

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

(₹ in millions)

	For the three months ended		For the year ended		
	June 30, 2019	**June 30, 2018**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
Net cash provided/ (used) by Operating Activities	261.90	(58.79)	1,006.14	758.95	515.55
Net cash provided/ (used) by Investing Activities	14.23	(15.19)	(1,498.72)	(3,886.15)	218.78
Net cash provided/ (used) by Financing Activities	(71.91)	(37.32)	307.80	3,359.31	(789.26)
Net increase/ (decrease) in Cash and Cash Equivalents	**204.22**	**(111.30)**	**(184.78)**	**232.11**	**(54.93)**

Operating Activities

Net cash flows from operating activities was ₹ 261.90 million for the three months ended June 30, 2019. We had a loss before tax of ₹ 593.22 million for the three months ended June 30, 2019, primarily as a result of finance costs of ₹ 624.79 million and depreciation and amortisation expense of ₹ 316.11 million, which were partially offset by interest income of ₹ 9.47 million. Our changes in working capital for the three months ended June 30, 2019 primarily comprised of decrease in other financial liabilities of ₹ 31.36 million and increase in trade receivables of ₹ 41.89 million, which were partially offset by increase in trade payables of ₹ 26.69 million.

Net cash flows from operating activities was ₹ 1,006.14 million for the Financial Year 2019. We had a loss before tax of ₹ 3,029.88 million for the Financial Year 2019, primarily as a result of depreciation and amortisation expense of ₹ 1,598.68 million and finance costs of ₹ 2,256.09 million, which were partially offset by lease payments of ₹ 102.12 million and government grants received of ₹ 78.02 million. Our changes in working capital for the Financial Year 2019 primarily comprised of increase in other liabilities of ₹ 188.55 million and increase in other financial liabilities of ₹ 72.60 million, which were partially offset by increase in other assets of ₹ 58.31 million and increase in other financial assets of ₹ 52.29 million.

Net cash flows from operating activities was ₹ 758.95 million for the Financial Year 2018. We had a loss before tax of ₹ 2,030.61 million for the Financial Year 2018, primarily as a result of finance costs of ₹ 1,704.65 million and depreciation and amortisation expense of ₹ 1,144.93 million, which were partially offset by interest income of ₹ 82.55 million and lease payments of ₹ 63.58 million. Our changes in working capital for the Financial Year 2018 primarily consisted of increase in trade payables of ₹ 112.44 million and increase in other liabilities of ₹ 100.84 million, which were partially offset by increase in trade receivables of ₹ 134.66 million and increase in other assets of ₹ 26.44 million.

Net cash flows from operating activities was ₹ 515.55 million for the Financial Year 2017. We had a loss before tax of ₹ 1,464.42 million for the Financial Year 2017, primarily as a result of finance costs of ₹ 1,216.14 million and depreciation and amortisation expense of ₹ 1,029.27 million, which were partially offset by government grants received of ₹ 164.07 million and profit on redemption of mutual funds (net) of ₹ 87.23 million. Our changes in working capital for the Financial Year 2017 primarily consisted of increase in other liabilities of ₹ 73.29 million and decrease in trade receivables of ₹ 45.25 million, which were partially offset by increase in other assets of ₹ 54.44 million and increase in loans of ₹ 14.84 million.

Investing Activities

Net cash flows from investing activities was ₹ 14.23 million for the three months ended June 30, 2019. This primarily related to proceeds from sale of current investments of ₹ 856.33 million and maturity of bank deposits of ₹ 442.61 million, which were partially offset by purchase of current investments of ₹ 577.26 million, bank deposits made of ₹ 535.99 million and purchase of property, plant and equipment and intangible assets of ₹ 190.10 million.

Net cash used in investing activities was ₹ 1,498.72 million for the Financial Year 2019. This primarily related to purchase of current investments of ₹ 3,465.78 million, opening of bank deposits of ₹ 1,959.90 million and purchase of property, plant and equipment, Acquisition of non-controlling interest of ₹ 781.03 million and intangible assets of ₹ 1,600.06 million, which were partially offset by proceeds from sale of current investments of ₹ 3,496.42 million and maturity of bank deposits of ₹ 2,728.99 million.

Net cash used in investing activities was ₹ 3,886.15 million for the Financial Year 2018. This primarily related to purchase of current investments of ₹ 5,368.44 million, opening of bank deposits of ₹ 2,570.84 million, purchase consideration paid on acquisition of Argon (net of cash acquired) of ₹ 1,976.98 million, Acquisition of non-controlling interest of ₹ 748.80 million and purchase of property, plant and equipment and intangible assets of ₹ 1,203.97 million, which were partially offset by proceeds from sale of current investments of ₹ 5,830.53 million, maturity of bank deposits of ₹ 1,936.76 million and proceeds from sale of property plant and equipment of ₹ 140.70 million.

Net cash flows from investing activities was ₹ 218.78 million for the Financial Year 2017. This primarily related to proceeds from current investments of ₹ 3,965.18 million, maturity of bank deposits of ₹ 1,512.74 million which were partially offset by purchase of current investments of ₹ 2,846.50 million, opening of bank deposits of ₹ 1,495.14 million and purchase of property, plant and equipment and intangible assets of ₹ 976.96 million.

Financing Activities

Net cash used in financing activities was ₹ 71.91 million for the three months ended June 30, 2019. This primarily resulted from repayment of long term borrowings of ₹ 1,224.16 million to Yes Bank and J&K Bank for refinancing, payment of finance costs of ₹ 478.47 million and proceeds from short term borrowings – net of ₹ 225.23 million, which were partially offset by proceeds from long term borrowings of ₹ 1,855.95 million.

Net cash flows from financing activities was ₹ 307.80 million for the Financial Year 2019. This primarily resulted from proceeds from long term borrowings of ₹ 10,544.01 million from banks and non-banking financial companies, which were partially offset by repayment of long term borrowings of ₹ 7,750.29 million to banks, reduction in short term borrowings of ₹ 797.63 million and payment of finance costs of ₹ 1,688.29 million.

Net cash flows from financing activities was ₹ 3,359.31 million for the Financial Year 2018. This primarily resulted from proceeds from long term borrowings of ₹ 7,287.08 million from banks and proceeds from short term borrowings of ₹ 866.74 million which were partially offset by repayment of long term borrowings of ₹ 3,181.00 million to banks and payment of finance costs of ₹ 1,613.51 million.

Net cash used in financing activities was ₹ 789.26 million for the Financial Year 2017. This primarily resulted from payment of finance costs of ₹ 1,073.08 million and repayment of long term borrowings of ₹ 681.82 million to banks, which were partially offset by proceeds from long term borrowings of ₹ 753.53 million from banks and proceeds from short term borrowings of ₹ 212.11 million.

Total Borrowings

The following table sets forth our principal amount of borrowings (including current and non-current borrowings, current portion of non-current borrowings as well as interest accrued and due on borrowings) as of June 30, 2019:

	As of June 30, 2019 (₹ in millions)
Secured Loans	
Long Term Borrowings	18,683.84
Short Term Borrowings	309.48
Current portion of non-current borrowings (including interest accrued and due on borrowings)	205.32
Total Secured Loans	**19,198.64**
Unsecured Loans	
Long Term Borrowings	2,028.00
Short Term Borrowings	22.50
Total Unsecured Loans	**2,050.50**
Grand Total	**21,249.14**

See “***Financial Indebtedness***” for a description of broad terms of our indebtedness on page 262 of this Draft Red Herring Prospectus.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition. See “***Risk factors –Internal Risk Factors - Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition***” on page 28.

Capital and Other Commitments

As of June 30, 2019, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 2.02 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as on June 30, 2019:

(₹ in millions)

Other contractual obligations			**Payment due by period**			
	Carrying Value	**Total**	**Less than 1 year**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Non-current borrowings*	20,711.84	19,609.44	-	4,917.94	4,692.66	9,998.84
Other Non-Current financial liabilities	581.93	1,335.70	-	87.27	242.59	1,005.84
Current borrowings	331.98	331.98	331.98	-	-	-
Trade and other payables	573.10	573.10	573.10	-	-	-
Other current financial liabilities	411.31	466.68	466.68	-	-	-
Total	**22,610.16**	**22,316.90**	**1,371.76**	**5,005.21**	**4,935.25**	**11,004.68**

Capital Expenditure

For the three months ended June 30, 2019, we made additions to property, plant and equipment of ₹ 16.55 million primarily for purchase of building, computers and accessories and plant and machinery. For the remaining period of Financial Year 2020, we intend to incur additional capital expenditure of up to ₹ 142.90 million as part of our planned portfolio expansions.

For the Financial Year 2019, we made additions to property, plant and equipment of ₹ 3,117.67 million primarily for purchase of building, plant and machinery, furniture and fixtures and computers and accessories.

For the Financial Year 2018, we made additions to property, plant and equipment of ₹ 1,716.38 million primarily for purchase of building, plant and machinery, furniture and fixtures and computers and accessories.

For the Financial Year 2017, we made additions to property, plant and equipment of ₹ 1,522.67 million primarily for purchase of building, plant and machinery and furniture and fixtures.

We intend to incur additional capital expenditure of up to ₹ 452.50 million and up to ₹ 196.10 million in Financial Years 2021 and 2022, respectively as part of our planned portfolio expansions.

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities, as of June 30, 2019:

Particulars	**Amount (*₹ in millions)***
Disputed Income Tax Demands	24.01
Disputed Service Tax Demands	29.83
Others	67.11
Total	**120.95**

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

Our activities expose us to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Our Chief Financial Officer, under the directions of the Board implements financial risk management policies for us. Our risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls, to monitor risks and adherence to limits in order to minimise the financial impact of such risks. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

We also use derivative financial instruments as appropriate for hedging transactions and managing our assets and liabilities in accordance with our financial risk management policies.

Credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represent the maximum credit risk exposure. We have credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

To cater to the risk for balances with banks/ financial institutions and investments in mutual funds, only high rated banks/ institutions and mutual funds are accepted.

We have given security deposits to government departments and to vendors for securing services from them and rental deposits for employee accommodations. We have other receivable balances outstanding as at year end from vendors for cost reimbursement and have loan balance outstanding as at year end from Key Managerial Personnel. Further, our Company has recognized government grant recoverable in respect of export incentives.

In respect of credit exposures from trade receivables/ unbilled revenue, we have policies in place to ensure that sales on credit without collateral are made principally to travel agents and corporate companies and with an appropriate credit history. Sales to other customers are made in cash or by credit cards.

We establish an allowance for impairment that represents our expected credit losses in respect of trade receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of any previous financial difficulties, if any.

Liquidity risk

Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions.

Our liquidity risk management includes maintaining sufficient cash and marketable securities, ensuring the availability of funds through committed/ undrawn credit facilities, regular refinancing of borrowings and generating cash flow from operating activities. In line with our practice of refinancing loans, we are under discussion to refinance some of our existing borrowings which are due within 1 – 2 years from June 30, 2019 and March 31, 2019 and have received a preliminary term sheet in respect of one of our borrowings. We seek to increase income from our existing properties by maintaining high quality standards resulting into higher occupancy tariffs, which reducing the costs and by controlling operating expenses.

Consequently, we believe our income, along with proceeds from financing activities will continue to provide the necessary finds to cover our short term and long term liquidity needs.

Market risk

We are exposed to marked risk primarily relating to the risk of changes in market prices, such as foreign exchange rates and interest rates that will affect our expense or value of our holdings of financial instruments.

Currency risk

Our exposure to foreign currency risk is on account of payables on account of import of capital goods, foreign currency borrowings and other expenditure in currencies other than our functional currency.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currency at year end would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(*₹ in million*)

	(Profit) / loss		**Equity, net of tax (increase) / decrease**	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
30 June 2019				
1% movement				
USD	1.04	(1.04)	0.78	(0.78)
	1.04	**(1.04)**	**0.78**	**(0.78)**

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. Our exposure to the risk of changes in market interest rates relate primarily to our borrowings with floating rates.

We evaluate the interest rates in the market on a regular basis to explore the option of refinancing our borrowings. Moreover, our current borrowings are linked to floating interest rates, thereby resulting in the adjustments of our borrowing costs in line with the market interest.

We manage the risk by using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in " – ***Significant Factors Affecting Our Results of Operations***" and the uncertainties described in "***Risk Factors***" on pages 266 and 26, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 26, 107 and 264, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "***Financial Statements – Annexure VI – Notes to Restated Consolidated Financial Information – Note 41 – Related party disclosures***" on page 229.

Competitive Conditions

We operate in a competitive environment. See "***Our Business***", "***Industry Overview***" and "***Risk Factors***" on pages 107, 129 and 26, respectively for further information on our industry and competition.

Seasonality of Business

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 guests served. Our revenues are generally higher during the second half of each financial year. Seasonality affects leisure travel, including weddings, as well as inbound foreign leisure travel, such that it mainly occurs between October and March. However, business travel is generally more consistent throughout the year. Seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and earnings.

Dependence on a Few Customers or Suppliers

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

New Products or Business Segments

Other than as disclosed in this section and in "***Our Business***" on page 107, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our results of operations or financial condition.

Significant developments subsequent to June 30, 2019

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

Split of face value of equity shares from ₹ 10 to ₹ 1 per share

Pursuant to shareholders' resolution dated August 2, 2019 each equity share of the Company of face value of ₹10 each was split into 10 equity shares of ₹1 each; therefore an aggregate of 7,489,669 equity shares of ₹10 each were split into 74,896,690 equity shares of ₹1 each.

Issuance of Equity Shares pursuant to a Rights Issuance

Pursuant to a rights issue approved by our Board on August 22, 2019, 1,374,014 Equity Shares were issued and allotted on September 21, 2019, at an issue price of ₹ 208.81 per Equity Share. For further details, please see "***Capital Structure – Notes to Capital Structure – Share Capital History of our Company***" on page 78.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) outstanding actions taken by statutory or regulatory authorities, (iii) outstanding claims related to direct and indirect taxes, and (iv) other pending material litigation which are determined to be material as per a policy adopted by our Board (the "**Materiality Policy**"), in each case involving our Company, Subsidiaries or Directors.*

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on September 21, 2019 for the purposes of disclosure, any other pending litigation involving our Company, Subsidiaries or Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim made by or against our Company, Subsidiaries or Directors, in any such pending litigation is in excess of ₹ 10.00 million, or any such litigation, an adverse outcome of which would materially and adversely affect our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

There is no outstanding litigation involving our Group Companies which has a material impact on our Company. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. *Tax proceedings involving our Company*

There is one direct tax proceeding pertaining to income tax involving our Company wherein the aggregate amount involved is ₹ 18.13 million, which relates to disallowance of legal and profession fees and addition of certain excess premium charged on issue of shares to our total reported loss for assessment year 2016-17.

B. Other material outstanding litigation involving our Company

Material civil litigation by our Company

The District Registrar, Rajajinagar (the "**District Registrar**") had passed an order dated July 17, 2012 ("**Order I**") revaluing the property on which our Company's hotel in Bangalore, Rajajinagar is currently situated (the "**Property**") and directing our Company to pay the deficient stamp duty (based on their revaluation of the Property) in order to register the sale deed for the Property. Our Company, paid the increased differential amount of stamp duty amounting to ₹ 12.11 million under protest and simultaneously filed an appeal dated September 21, 2012 (the "**Appeal**") in the Court of the Regional Commissioner, Bangalore Division (the "**Court of the Regional Commissioner**"), seeking that Order I be set aside and the amount paid under protest be refunded, on the grounds, among others, that (i) the District Registrar erroneously revalued the Property on the basis that it was a 'commercial apartment' (and not a 'hotel building'); and (ii) no inspection was conducted on the Property to ascertain its true nature. Subsequently, in 2015, our Company filed an application before the Court of the Regional Commissioner to amend the Appeal and sought a refund of ₹ 10.35 million (the "**Amendment Application**"). The Court of the Regional Commissioner rejected the Amendment Application on the ground that there had been a delay of more than a year in requesting for the amendment to the Appeal by an order dated July 25, 2016 ("**Order II**"). As a result, our Company filed a writ petition dated October 20, 2016 in the High Court of Karnataka seeking an interim relief to set aside Order II and for the Amendment Application to be allowed, on the grounds among others, that the Amendment Application was arbitrarily rejected (the "**Petition**"). The High Court of Karnataka has granted an interim stay order for a period of 4 weeks against Order II by its order dated December 6, 2016 which was further extended by its order dated January 19, 2017.

II. LITIGATION INVOLVING OUR SUBSIDIARIES

1. *<u>Argon Hotels Private Limited ("Argon")</u>*

A. *Pending action by statutory or regulatory authorities against Argon*

(i) The Revenue Divisional Office & Land Acquisition Officer, South Chennai-Revenue Division, Guindy, Chennai (the "**Authority**") issued a show cause notice to Argon requiring it to show cause as to why certain land parcels forming part of the site where our hotel in Chennai, OMR is situated, should not be acquired for the construction of a metro corridor by Chennai Metro Rail Limited ("**CMRL**"). Argon filed its preliminary objections on March 22, 2019 and further objections on May 28, 2019 with the Authority, stating among other things, that the proposed acquisition (i) will impact the right of entry and exit to the hotel premises and adversely impact operations of the hotel, (ii) will likely hamper the drainage system and affect car parking areas, (iii) may affect the structural stability of the hotel building, and (iv) will be contrary to CMRL's policy of primarily considering available governmental lands for such purpose.

B. *Tax proceedings involving Argon*

There is one direct tax proceeding pertaining to property tax involving Argon and the amount involved in such proceeding (to the extent ascertainable) is ₹ 3.56 million. However, Argon has already paid this amount under protest.

There are six indirect tax proceedings pertaining to service tax involving Argon and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 29.83 million.

C. *Material civil litigation against Argon*

Gaurav Monga, a former employee of Argon filed a civil suit on October 22, 2016 in the High Court of Delhi for damages against the erstwhile Premier Inn India Private Limited, *i.e.*, Argon, and certain other persons (together, the "**Respondents**") seeking damages amounting to ₹ 45 million as compensation for an alleged misrepresentation by the Respondents to employ him with Premier Inn India Private Limited and subsequently, the alleged wrongful termination of his employment. The High Court of Delhi (single judge bench) rejected the suit by a judgment dated January 6, 2017. Gaurav Monga filed an appeal dated March 18, 2017 in the High Court of Delhi (division bench) against the afore-mentioned judgment and sought that the judgment be set aside on the grounds, among others, that (i) his suit had been erroneously dismissed even before being registered as a duly instituted suit, and (ii) since it involved complicated questions of law, it necessitated adjudication, and (iii) could not have been dismissed without issuing summons to the Respondents. The matter is currently pending before the High Court of Delhi (division bench).

2. *Ascent Hotels Private Limited ("Ascent")*

A. Material civil litigation against Ascent

Jolly Steel Industries Private Limited (the "**Plaintiff**") filed a civil suit in the Court of Civil Judge, Senior Division, Pune against Vascon Engineers Private Limited ("**Vascon**") and Ascent (together, the "**Defendants**") in relation to the title of a portion of the land that was allegedly owned by the Plaintiff, seeking an order of injunction against the Defendants on the grounds, among others, that Vascon encroached upon this portion of the Plaintiff's land. The Plaintiff has impleaded Ascent as a party to this dispute as it is not a party to the sale deed executed between Ascent and Vascon, and has accordingly stated in the plaint that it is not in a position to ascertain whether the allegedly encroached portion is a part of the property sold to Ascent by Vascon. Ascent in its reply dated January 27, 2014 stated, among other things, that it has no connection with the alleged encroachment because the Plaintiff's allegations are related to transactions that transpired between the Plaintiff and Vascon, which Ascent was never a direct or indirect party to, and that accordingly the suit of the Plaintiff is hit by the principle of "misjoinder of a party" since Ascent was never a necessary party to the suit. Subsequently, the 2nd Additional Judge of the Small Causes Court, Pune passed an order on December 7, 2018 directing the Plaintiff to file this suit in a court having proper jurisdiction because the civil court did not have jurisdiction over a commercial dispute (the "**Order**"). The Plaintiff filed an appeal against the Order in the High Court of Bombay seeking a stay against the Order, wherein a stay has been granted on February 27, 2019 until the date of next hearing. However the matter is due for admission in the High Court of Bombay.

3. *Barque Hotels Private Limited ("Barque")*

A. *Pending action by statutory or regulatory authorities against Barque*

The Karnataka Industrial Areas Development Board ("**KIADB**") issued three notices for acquisition of land parcels belonging to Barque measuring 695 square metres, 8.60 square metres and 8 square metres, dated June 6, 2016, April 20, 2018 and July 10, 2018, respectively, for purposes of development of the second phase of the Bengaluru Metro Rail Project. These land parcels form part of a larger property in relation to which there is a pending dispute. In relation to the land parcels measuring 8.60 square metres and 8 square metres, an amount of ₹ 208,145 and ₹ 182,170, respectively, has been deposited with the City Civil Court, Bengaluru and for further details about the dispute pending in relation to the land parcel measuring 695 square metres, see "***-Material civil litigation by Barque***" below.

B. *Tax proceedings involving Barque*

There are three direct tax proceedings pertaining to income tax and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 2.25 million, of which ₹ 1.13 million which relates to disallowance of legal and professional fees, interest on tax deducted at source, excess claim of depreciation and additions on account of mismatch in the return for tax deducted at source, to the total reported loss by Barque for assessment year 2016-17.

There is one direct tax proceeding pertaining to property tax involving Barque and the aggregate amount involved in such proceeding (to the extent ascertainable) is ₹ 13.88 million.

C. *Material civil litigation by Barque*

Barque filed an application in the Court of the Principal Civil Judge, Bangalore Rural District on August 18, 2015 requesting for a permanent injunction against Mahesh and anyone acting on his behalf or claiming through him (together, the "**Defendants**") from interfering with Barque's peaceful possession of the property situated at Beratena Agrah Ara Village, Begur Hobli, Bangalore South Taluk (the "**Property**") on the grounds, among others, that the Defendants were trying to forcibly dispossess Barque by claiming title to the Property and that there existed a constant threat of interference from the Defendants in peaceful enjoyment of the Property. The Principal Civil Judge, Bangalore Rural District passed a judgment and decree of temporary injunction restraining the Defendants from interfering with the Property dated August 20, 2015. While the dispute between Barque and the Defendants was pending, a certain portion of the Property admeasuring 695 square metres was acquired by the Karnataka Industrial Areas Development Board ("**KIADB**") for the purposes of development of the second phase of the Bengaluru Metro Rail Project. For details of the notice issued by the KIADB, see "***-Pending action by statutory or regulatory authorities against Barque***" above**.**

Pending this dispute, Mahesh had also sold a part of the Property in favour of third parties on September 7, 2016. These third parties, represented by R. Ramesh (the "**Third Parties**"), filed an application on November 29, 2017 in the Court of the Principal Civil Judge, Junior Division (III Additional), Bangalore Rural District (the "**Principal Civil Judge**") seeking that they be impleaded as defendants in the ongoing dispute between our Company and the Defendants on the grounds that they were just and necessary parties as they held ownership rights to a part of the Property. The Principal Civil Judge rejected this impleading application by its order dated June 21, 2019 on the grounds, among others, that the Third Parties were not necessary parties as the property that they held ownership rights to was distinct from the impugned Property. These Third Parties have parallely also filed objection statements before the Special Land Acquisition Officer, KIADB claiming that since the property acquired by KIADB includes their property as well, they must be paid compensation in lieu of the acquisition. Since this dispute was pending in respect of the Property and it was difficult to conclusively determine the rights of each party, the KIADB passed a general award dated August 30, 2017 for fixing the compensation at ₹ 10.93 million, including income tax, and directing the Bangalore Metro Rail Corporation Limited ("**BMRCL**") to deposit the said amount with the Court. Subsequently, the Third Parties have filed an application in the Court of the Civil Judge, Bangalore, Rural District on October 15, 2018 against Barque, seeking a permanent injunction against Barque in relation to possession of the Property. Barque in its reply dated June 1, 2019 has stated, among other things, that the Third Parties have failed to prove absolute title over the Property and further that their application is not maintainable since they are claiming title to land which is completely different from the Property (which is owned by Barque).

4. *Caspia Hotels Private Limited ("Caspia")*

A. *Pending action by statutory or regulatory authorities against Caspia*

The Ahmedabad Municipal Corporation (the "**Municipal Corporation**") has issued a notice dated April 26, 2019 raising objections to the construction of a dome shaped structure over the Renaissance hotel premises in Ahmedabad. Caspia has filed a reply dated May 4, 2019 stating that the dome shaped structure is a temporary shed that has been erected due to the high temperatures during summer and that this does not amount to illegal construction. Caspia had also, by a letter addressed to the Deputy Estate Officer, North West Zone of the Municipal Corporation, sought permission from the Municipal Corporation in relation to setting up of this temporary shed. We have not received any further communication from the Municipal Corporation in this regard.

B. *Tax proceedings involving Caspia*

There is one direct tax proceeding pertaining to income tax involving Caspia and the amount involved in such proceeding (to the extent ascertainable) is ₹ 9.17 million.

5. *Paulmech Hospitality Private Limited ("Paulmech")*

Tax proceedings involving Paulmech

There is one direct tax proceeding pertaining to income tax involving Paulmech and the amount involved in such proceeding (to the extent ascertainable) is ₹ 13.72 million.

6. *SAMHI Hotels Gurgaon Private Limited ("SAMHI Gurgaon")*

A. *Criminal proceedings against SAMHI Gurgaon*

A first information report dated August 2, 2018 was registered under Section 14 of the Foreigner's Act, 1946 against an employee of our hotel (the "**Accused**"), on the grounds that the hotel failed to file an arrival report for a foreign national within 24 hours of his arrival. As a result of this the Accused was arrested and remanded to judicial custody for fourteen days. The Accused filed an application for bail dated August 3, 2018 in the Court of the Civil Judge (Junior Division) cum Judicial Magistrate, Gurugram (the "**Court**"), which was allowed on the grounds that the arrival report had been filed on August 3, 2018. The investigating agency filed a final report dated August 26, 2018 against the Accused in the matter however, no formal order has been passed by the Court. As a result, the Accused has filed an application dated December 15, 2018 in the Court seeking discharge from the aforementioned offence on the grounds, among others, that there is lack of legitimate evidence to establish the offence and the intention on the part of the Accused to commit this offence is not established.

III. LITIGATION INVOLVING OUR GROUP COMPANIES

1. *HICSA Event Management Private Limited ("**HICSA**")*

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation involving HICSA which has a material impact on our Company.

2. *School of Hospitality India Private Limited ("**School of Hospitality**")*

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation involving School of Hospitality which has a material impact on our Company.

IV. LITIGATION INVOLVING OUR DIRECTORS

As on the date of this Draft Red Herring Prospectus, there is no outstanding litigation involving our Directors.

Outstanding dues to creditors

As of June 30, 2019, we had 2,587 creditors to whom an aggregate outstanding amount of ₹ 573.10 million was due. As per the Materiality Policy, creditors to whom amounts exceeding 5.00% of the total consolidated trade payables as on the date of the latest restated consolidated financial statements, being an amount exceeding ₹ 28.66 million, were outstanding, were considered 'material' creditors. Based on the above, there are 2 material creditors of our Company as on June 30, 2019 to whom an aggregate amount of ₹ 60.93 million was outstanding on such date. For further details of the names and the amount involved for such material creditors, see http://www.samhi.co.in/pdf/material-creditors.pdf.

Further, based on the information available with our Company, there are no amounts outstanding as dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on June 30, 2019.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including the website of our Company https://www.samhi.co.in would be doing so at their own risk.

Material Developments since the date of the last balance sheet

Except as stated in "***Management's Discussion And Analysis of Financial Condition and Results of Operations***" on page 264, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our profitability taken as a whole, or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our Company can undertake the Offer and our Company and Subsidiaries can undertake their respective business and operations, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business and operations. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "**Key Regulations and Policies in India**" on page 148.*

I. Incorporation details of our Company

1. Certificate of incorporation dated December 28, 2010, issued to our Company by the RoC in the name of 'SAMHI Hotels Private Limited'.

2. Fresh certificate of incorporation dated August 16, 2019 issued by the RoC pursuant to the conversion of our Company to a public limited company and consequential change in our name from 'SAMHI Hotels Private Limited' to 'SAMHI Hotels Limited'.

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer – Corporate Approvals***" on page 308.

II. Approvals in relation to business and operations of our Company

We require various approvals to carry on our business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. We have received the following approvals pertaining to our business:

A. Tax related approvals

(i) The permanent account number of our Company is AAPCS1691D.

(ii) The tax deduction account number of our Company is DELS43141A.

(iii) The import export code for our Company is 0511046413.

(iv) The goods and services tax identification number of our Company is 06AAPCS1691D1Z8.

B. Labour related approvals

(i) Under the provisions of the EPF Act, our Company has been allotted EPF code number DL/43679.

(ii) Under the ESI Act, our Company has been allotted the ESI registration numbers 53000351120001102 and 51530351120011102.

C. Key approvals in relation to our business and operations

As of June 30, 2019, we have a portfolio of 27 operating hotels, which are owned or leased by us. We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business and operations. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. Further, in certain instances where the hotel is leased by us, certain licenses and approvals are obtained and maintained by the lessor/developer of the property. Some of the approvals, licenses and registrations that we are required to obtain and maintain may expire in the ordinary course of business and applications for renewal of such approvals are submitted by us in accordance with applicable procedures and requirements.

An indicative list of the key approvals required by us for the business and operation of our owned or leased hotels is provided below ("**Key Approvals**"):

1. ***Trade license from relevant municipal authorities****:* We are required to obtain trade licenses from the respective municipal authorities of areas where our hotels are located, where local laws require such trade licenses to be obtained. Such licenses may be subject to renewal, as applicable.

2. ***FSSAI registration:*** We are required to obtain registration from the FSSAI, under the Food Safety and Standards Act, 2006 read with the Food Safety and Standard (Licensing and Registration of Food Business) Regulations, 2011, for sale, storage or distribution of food products. The registration may be subject to periodic renewals.

3. ***Shops and establishments registrations:*** In states where our hotels are located, registration under the respective shops and establishment acts of those states, wherever enacted or in force, is required. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations. Further, such registrations may be subject to renewals under the respective state legislations.

4. ***Liquor license under excise laws:*** Under the scheme of excise laws, different state legislatures have enacted state legislations dealing with licenses for sale of alcohol. Any person selling alcohol, of various types and form, is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of the alcohol. The categories of alcohol licenses may include Indian made foreign liquor, foreign liquor, country liquor, beer and wine, or a combination thereof. In states where we serve liquor at our hotels, we are required to obtain license to serve and store liquor under the respective legislation of the state.

5. ***Environment related approvals:*** We are required to obtain various environment related approvals and consents to operate under the Environment Protection Act, Air Act and Water Act ("**Consent to Operate**"), the EIA Notification and authorisation for collection, storage and disposal of hazardous waste under the Hazardous Waste Rules ("**Authorisation**") in respect of our hotels, wherever applicable.

6. ***No objection certificates from fire department:*** We are required to obtain a no objection certificate ("**NOC**") from the relevant fire department, as applicable in the concerned jurisdictions of our hotels, to continue operations of our hotels. The no objection certificates may be subject to renewal, as may be applicable.

7. ***Building completion certificate/ occupation certificate:*** We are required to obtain an occupation certificate from the relevant municipality, as applicable, in the concerned jurisdictions. An occupation certificate is typically issued after considering certain other compliances of the hotel buildings with, among others, approved plans, building standards, and fire safety standards.

In addition to the Key Approvals mentioned above, we are also required to obtain certain other approvals such as license under the Contract Labour (Regulation and Abolition) Act, 1970 to engage more than 20 contract labourers at our hotels, license under the Legal Metrology Act, 2009 – to ensure compliance with uniform standards of measurement and weight, licenses issued by relevant labour departments of states for operation of lifts, public performance licenses and registrations with the Indian Performing Rights Society Limited and the respective department of tourism of the states where our hotels are situated.

In respect of hotels that are operational as of the date of this Draft Red Herring Prospectus, we currently hold all such aforementioned Key Approvals as we are require to obtain, except the following, in respect of which we have made applications before relevant authorities to obtain the registrations or renewals of such Key Approvals that have expired:

SAMHI Hotels Limited – Fairfield by Marriott Sriperumbudur Hotel

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Authorisation	Registration	Tamil Nadu Pollution Control Board	September 5, 2019
2.	Liquor License	Registration	Commissioner, Prohibition and Excise, Ezhilagam, Chepauk, Chennai	March 14, 2019

SAMHI Hotels Limited – Fairfield by Marriott Bangalore Rajajinagar Hotel

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Trade License	Renewal	Commissioner, Bruhat Bengaluru Mahanagara Palike	February 21, 2019

SAMHI JV Business Hotels Private Limited – Fairfield by Marriott Bangalore Global Technology Park and Courtyard by Marriott Bangalore Global Technology Park

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Authorisation	Registration	Karnataka State Pollution Control Board	August 23, 2019

SAMHI Hotels (Ahmedabad) Private Limited – Four Points by Sheraton Ahmedabad

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Shops and Establishment Registration Certificate	Renewal	Shops and Establishment Department, Ahmedabad Municipal Corporation	September 5, 2019

Caspia Hotels Private Limited – Fairfield by Marriott Coimbatore

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate	Renewal	Tamil Nadu Pollution Control Board	July 15, 2019
2.	Authorisation	Registration	Tamil Nadu Pollution Control Board	November 12, 2018
3.	Fire NOC	Renewal	Director of Fire and Rescue Services, Tamil Nadu	August 31, 2018

Caspia Hotels Private Limited – Four Points by Sheraton Visakhapatnam

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Fire NOC	Renewal	Assistant District Fire Officer	June 19, 2019

Caspia Hotels Private Limited – Renaissance Ahmedabad Hotel

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate and Authorisation	Renewal	Gujarat Pollution Control Board	July 31, 2019

Argon Hotels Private Limited – Fairfield by Marriott Chennai OMR

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Fire NOC	Renewal	Director of Fire and Rescue Services, Chennai	June 13, 2019
2.	FSSAI Registration	Renewal	Tamil Nadu Food Safety and Drug Administration Department	April 13, 2019
3.	Trade License	Renewal	Greater Chennai Corporation	August 30, 2019
4.	Authorisation	Registration	Tamil Nadu Pollution Control Board	August 23, 2019

Argon Hotels Private Limited – Fairfield by Marriott Goa Anjuna

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate and Authorisation	Renewal	Goa State Pollution Control Board	June 6, 2019
2.	Liquor License	Renewal	Excise Inspector	March 29, 2019

Argon Hotels Private Limited – Fairfield by Marriott Pune Kharadi

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate and Authorisation	Renewal	Maharashtra Pollution Control Board	June 29, 2019

Argon Hotels Private Limited – Caspia Delhi

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate	Renewal	Delhi Pollution Control Board	August 23, 2019

Barque Hotels Private Limited – Caspia Pro Greater Noida

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Authorisation	Registration	Uttar Pradesh Pollution Control Board	August 27, 2019

Barque Hotels Private Limited – Holiday Inn Express Bengaluru Whitefield ITPL

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Authorisation	Registration	Karnataka Pollution Control Board	August 28, 2019

Barque Hotels Private Limited – Holiday Inn Express Pune Pimpri

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	FSSAI Registration	Registration	Food and Drug Administration, Maharashtra	July 9, 2019
2.	Consent to Operate and Authorisation	Renewal	Maharashtra Pollution Control Board	April 29, 2019
3.	Trade License	Registration	Pimpri Chinchwad Municipal Corporation	September 13, 2019
4.	Shops and Establishment Registration Certificate	Registration	Shops Inspector Office	September 11, 2019

Barque Hotels Private Limited – Holiday Inn Express Pune Hinjewadi

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate and Authorisation	Renewal	Maharashtra Pollution Control Board	August 28, 2019

Barque Hotels Private Limited – Holiday Inn Express Nashik Indira Nagar

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Consent to Operate and Authorisation	Renewal	Maharashtra Pollution Control Board	March 22, 2019
2.	FSSAI Registration	Renewal	Food and Drug Administration, Maharashtra	August 10, 2019
3.	Shops and Establishment Registration Certificate	Registration	Deputy Commissioner of Labour, Nashik	September 11, 2019

Barque Hotels Private Limited – Holiday Inn Express Chennai OMR Thoraipakkam

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Fire NOC	Renewal	Director of Fire and Rescue Services, Chennai	February 21, 2019
2.	Consent to Operate	Renewal	Tamil Nadu Pollution Control Board	August 13, 2019
3.	Trade License	Renewal	Commissioner, Greater Chennai Corporation	June 11, 2019
4.	Authorisation	Renewal	Tamil Nadu Pollution Control Board	August 13, 2019

Barque Hotels Private Limited – Holiday Inn Express Gurgaon Sector 50

Sl. No.	Description	Registration / Renewal	Authority	Date of Application
1.	Trade License	Renewal	Municipal Corporation, Gurgaon	August 27, 2019
2.	FSSAI Registration	Registration	Department of Food and Drug Administration, Haryana	September 10, 2019

In the case of hotels that are under development as of the date of this Draft Red Herring Prospectus i.e., *Holiday Inn Express Mumbai Goregaon* and *Holiday Inn Express Kolkata New Town*, we require certain permits/ approvals/ licenses at various stages of construction, and until commencement of operations at such hotels. Key construction related approvals include:

1. ***Environmental approvals, NOC from the Airports Authority of India, consent to establish and environment clearance, where applicable:*** We are required to obtain various environment related approvals/ permits such as consent to establish under the Air Act and Water Act, environment clearances and NOC from various authorities such as the Airports Authority of India, and the central government, as applicable in the concerned jurisdictions. NOC is required under the Airports Authority of India Act, 1994, as amended, which prohibits construction of any building or erection, placement or raising any moveable or immoveable structure or fixture near any airport premises, except as permitted.

2. ***Building completion certificate/ occupancy certificate from relevant municipal authorities:*** We are either required to obtain a building completion certificate and/or an occupancy certificate from the relevant municipalities, as applicable, in the concerned jurisdictions. An occupancy certificate is typically issued after considering certain other compliances of the hotel building with, among others, approved plans, building standards, and fire safety standards.

3. ***NOC from police and fire department:*** We are required to obtain an NOC from the relevant police and fire department, as applicable in the concerned jurisdictions of our hotels, to commence operations at our hotels.

In respect of our hotels that are currently under development, we apply for and receive relevant approvals, depending upon the stage of construction of the hotel. As of the date of this Draft Red Herring Prospectus, the following approvals have been obtained in respect of our hotels that are under development: (a) for our hotel *Holiday Inn Express Kolkata New Town*, the consent to establish under the Air Act and the Water Act issued by the West Bengal Pollution Control Board; and (b) for our hotel *Holiday Inn Express Mumbai Goregaon*, the consent to establish under the Air Act and the Water Act issued by the Maharashtra Pollution Control Board.

III. Intellectual Property Approvals

As on the date of this Draft Red Herring Prospectus, our Company and our Subsidiaries have registered various trademarks under various classes, including under classes 43 and 35 with the Registrar of Trademarks under the Trade Marks Act, for the following:

SAMHI   SAMHI SMART HOTEL INVESTMENTS   CASPIA HOTELS

Further, we have also made applications seeking registration of trademarks under various classes, which are currently pending registration, including in respect of our analytics technology tools as follows:

SAMConnect   SAMIntel

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board has authorized the Offer pursuant to its resolution dated September 2, 2019 and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed on September 5, 2019 under Section 62(1)(c) of the Companies Act 2013.

Our IPO Committee has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 24, 2019.

Our IPO Committee has approved and adopted this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges pursuant to its resolution dated September 24, 2019.

Approvals from the Selling Shareholders

Each of the Selling Shareholders has, severally and not jointly, authorized and confirmed inclusion of its portion of the Offered Shares as part of the Offer for Sale, as set out below:

S. No.	Name of Selling Shareholder	Date of resolution by board or committee of directors	Consent Letter	Maximum no. of Equity Shares offered for sale
1.	Blue Chandra Pte. Ltd.	September 13, 2019	September 23, 2019	10,385,721
2.	Goldman Sachs Investments Holdings (Asia) Limited	September 23, 2019	September 23, 2019	4,555,894
3.	GTI Capital Alpha Pvt Ltd	September 10, 2019	September 23, 2019	2,895,539
4.	International Finance Corporation*	N.A.	September 23, 2019	1,067,164*
5.	Ashish Jakhanwala	N.A.	September 23, 2019	120,653
6.	Manav Thadani	N.A.	September 23, 2019	120,653

**An aggregate of 1,260,000 IFC CCDs will be converted into a maximum of 6,565,230 Equity Shares in aggregate, prior to the filing of the Red Herring Prospectus with the RoC.*

Each Selling Shareholder, severally and not jointly, confirms that, as required under Regulation 8 of the SEBI ICDR Regulations, it has held its portion of the Offered Shares or in the case of IFC, the IFC CCDs that will convert into its portion of the Offered Shares, for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Therefore, the Equity Shares that will be offered by it in the Offer for Sale are eligible to be offered for sale in the Offer.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Directors, the persons in control of our Company and each of the Selling Shareholders are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company and each of the Selling Shareholders, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules”**), to the extent applicable to it, as on the date of the Draft Red Herring Prospectus.

Directors associated with the Securities Market

Except for Arjun Sharma (a director of Select Equity Advisory Services Private Limited, a company registered with the Association of Mutual Funds in India as a mutual fund distributor), none of our Directors are associated with the securities market in any manner and no action has been initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(2) of the SEBI ICDR Regulations as described below:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed of Regulation 6(2) of the SEBI ICDR Regulations. We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations as at least 75% of the Offer is proposed to be Allotted to QIBs and in the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delay period. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any such delay, except to the extent such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Our Company is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

(a) Neither our Company nor our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
(b) None of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
(c) Neither our Company or any of our Directors is a wilful defaulter.
(d) None of our Directors is a fugitive economic offender.
(e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus, except for options granted under ESOP – 2016 and the 1,260,000 IFC CCDs.

Each of the Selling Shareholders, severally and not jointly, confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE

SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CLSA INDIA PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED AND GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS 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, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

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 BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CLSA INDIA PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED AND GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our Directors, the Selling Shareholders 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.samhi.co.in, or any website of any of our Subsidiaries (including www.caspiahotels.com), any affiliate of our Company, any of the Group Companies or any of the Selling Shareholders, would be doing so at his or her own risk. It is clarified that neither the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Selling Shareholder in relation to itself and/or the Equity Shares offered by it through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information 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 available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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 Selling Shareholders, 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, our Subsidiaries, our Group Companies, the Selling Shareholders and their respective 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 our Company, the Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("**AIFs**"), Foreign Portfolio Investors registered with SEBI ("**FPIs**") and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at 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 SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, 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 offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933 ("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 of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of 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.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

Listing

Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. The Selling Shareholders shall, severally and not jointly, be responsible to pay, or reimburse, as the case may be, any interest for such delays in making refunds only to the extent and in the manner agreed under the Offer Agreement.

Impersonation

Attention of the Bidders 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 includes imprisonment for a term of not 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.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, the Company Secretary and Compliance Officer, the legal counsels, the bankers to our Company, industry sources, third party chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/Escrow Bank, Public Offer Account Bank and Refund Bank to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus and the Prospectus with the SEBI.

Our Company has received consent of our Statutory Auditors, M/s B S R & Co. LLP, Chartered Accountants, to include their name as required under Section 26(5) of 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 report of the Statutory Auditors on the Restated Financial Statements dated September 21, 2019 and the statement of possible special tax benefits dated September 23, 2019 included in this Draft Red Herring Prospectus but not construing to be "experts" as defined under the U.S. Securities Act.

Additionally, our Company has also received a consent dated September 24, 2019 from HVS, to include their name in this Draft Red Herring Prospectus as required under the Companies Act 2013 and as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act 2013.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public issues, including any rights issues to the public undertaken by our Company during the five years preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues in the Last Five Years

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital Issues in the Preceding Three Years

Except as disclosed in "***Capital Structure***" on page 78, our Company and our Subsidiaries has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – Public/ rights issue of our Company

Our Company has not undertaken any public issues, including any rights issues to the public in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – Public/ rights issue of the listed Subsidiaries of our Company

None of our Subsidiaries are listed on any stock exchange.

Price information of past issues handled by the BRLMs

Kotak Mahindra Capital Company Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Polycab India Limited(1)	13,452.60	538	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70%[-1.99%]	-
2.	Metropolis Healthcare Limited	12,042.88	880	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39%[-1.18%]	-
3.	CreditAccess Grameen Limited	11,311.88	422	August 23, 2018	390.00	-21.6% [-3.80%]	-14.91% [-8.00%]	-5.71%[-8.13%]
4.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.35% [+1.17%]	+30.61% [-7.32%]	+23.78%[-4.33%]
5.	TCNS Clothing Co. Limited	11,251.25	716	July 30, 2018	716.00	-9.29% [+3.70%]	-19.74% [-11.39%]	-1.00%[-4.76%]

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
6.	Varroc Engineering Limited(2)	19,549.61	967	July 6, 2018	1,015.00	+1.62% [+5.46%]	-7.29% [+0.79%]	-24.01% [+1.28%]
7.	IndoStar Capital Finance Limited	18,440.00	572	May 21, 2018	600.00	-0.96% [+1.84%]	-16.28% [+9.07%]	-39.97 [+1.57%]
8.	Lemon Tree Hotels Limited	10,386.85	56	Apr 9, 2018	61.60	+30.18% [+3.26%]	+29.91% [+3.79%]	+19.46% [-0.61%]
9.	Bandhan Bank Limited	44,730.19	375	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96 [+6.26%]	+51.89% [9.42%]
10.	Aster DM Healthcare Limited	9,801.36	190	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]

Source: www.nseindia.com

Notes:

1. *In Polycab India Limited, the issue price to employees was ₹ 485 after a discount of ₹ 53 per equity share.*
2. *In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.*
3. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
4. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
5. *Nifty is considered as the benchmark index.*
6. *Restricted to last 10 equity public issues.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. 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%
2019-20	2	25,495.48	-	-	-	-	-	2	-	-	-	-	-	-
2018-19	6	98,942.90	-	-	3	1	1	1	-	1	3	-	-	2
2017-18	9	384,510.39	-	1	5	-	1	2	-	-	5	2	1	1

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

CLSA India Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by CLSA India Private Limited*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%, [+1.17%]	+30.61%, [-7.32%]	+23.78%, [-4.33%]
2.	Lemon Tree Hotels Limited	10,386.85	56.00	April 9, 2018	61.60	+30.18%, [+3.26%]	+29.91%, [+3.79%]	+19.46%, [-0.61%]
3.	ICICI Securities Limited	35,148.49	520.00	April 4, 2018	435.00	-27.93%, [+5.44%]	-37.26%, [+5.22%]	-44.39%, [+7.92%]

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
4.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+3.50%, [+3.00%]	+6.91%, [-1.86%]	-5.20%, [+4.13%]
5.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.52%, [+0.48%]	+48.93%, [+2.11%]	+74.66%, [+5.04%]
6.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	+3.61%, [-3.19%]	+5.91%, [+2.95%]	-4.21%, [+1.59%]
7.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+17.60%, [+7.78%]	+12.13%, [+2.69%]

Source: www.nseindia.com

Notes:

1. *The CNX NIFTY is considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculations.*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by CLSA India Private Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. 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%
2019-2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-2019	3	73,538.64	-	1	-	1	1	-	-	1	-	-	-	2
2017-2018	4	165,878.81	-	-	-	-	1	3	-	-	2	1	-	1

Notes:

1. *For 2019-20, the information is as on the date of this Offer Document*
2. *The Total number of IPOs and the Total amount of funds raised have been included for each financial year based on the IPO listed during such financial year*

DSP Merrill Lynch Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by DSP Merrill Lynch Limited*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04% [+1.17%]	+29.60% [-7.58%]	+23.78% [-4.33%]

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
2.	ICICI Securities Limited[(8)]	34,801.16	520.00	April 4, 2018	435.00	-27.93% [+5.44%]	-37.26% [+5.22%]	-46.17% [+8.69%]
3.	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%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Equity public issues in last 3 financial years considered.*
2. *Opening price information as disclosed on the website of NSE.*
3. *Benchmark index is CNX Nifty.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*
7. *180th listing day has been taken as listing date plus 179 calendar days.*
8. *Calculated offer size based on final allotment after technical rejections which is 66,925,305 Equity Shares.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by DSP Merrill Lynch Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. 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%
2019-20 [(1)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	2	62,804.47	-	1	-	1	-	-	-	1	-	-	-	1
2017-18	1	57,009.39	-	-	-	-	-	1	-	-	-	-	-	1

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *Based on the day of listing.*

Goldman Sachs (India) Securities Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Goldman Sachs (India) Securities Private Limited*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Aster DM Healthcare Limited	9,801.36	190	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]
2.	Bandhan Bank Limited	44,730.19	375	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96% [+6.26%]	+51.89% [+9.42%]
3.	Metropolis Healthcare Limited	12,043.88	880	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39% [-1.18%]	-

Notes:

1. *All data sourced from www.nseindia.com.*
2. *Benchmark index considered is NIFTY 50.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the preceding trading day.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Goldman Sachs (India) Securities Private Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. 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%
2019-20	1	12,043.88	-	-	-	-	-	1	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	1	-	-	-	-	-	-	-
2017-18	2	54,531.55	-	-	1	-	1	-	-	-	1	1	-	-
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement, provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer 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 or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer 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 Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, 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 BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, the BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven 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 appointed Mr. Sanjay Jain, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Sanjay Jain
14th floor, Building 10C
Cyber City, Phase II
Gurugram 122 002, Haryana
India
Telephone: +91 124 4910100
E-mail: compliance@samhi.co.in

The Selling Shareholders have authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Dilip Puri, Michael Peter Schulhof and Bonnie Susan Gottlieb, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management***" on page 161.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred in the Offer will be subject to the provisions of the Companies Act 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see "***Main Provisions of the Articles of Association***" on page 340.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer will be received by the Allottees in accordance with applicable law. For more information, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 179 and 340, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 1. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹ [●] and the Cap Price of the Equity Shares is ₹ [●].

(i) The Price Band will be decided by our Company, Blue Chandra and GSA, in consultation with the BRLMs, and (ii) the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located), 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 at the website of the Stock Exchanges.

Rights of the Equity Shareholders

Subject to applicable law and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and

- Such other rights as may be available to a shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 340.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" on page 326.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, 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, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- 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, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies 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 Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]
FINALIZATION OF BASIS OF ALLOTMENT	[●]
INITIATION OF REFUNDS	[●]

CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[●]
COMMENCEMENT OF TRADING	[●]

** Our Company in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date.*

This timetable, is indicative in nature and does not constitute any obligation or liability on our Company, the respective Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. 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 the SCSBs would be rejected. Our Company, the respective Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company, Blue Chandra and GSA, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also intimated to SCSBs, the Registered Brokers, RTAs and CDPs. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid-cum-Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

On the date of closure of the Offer, if our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) subscription as required to ensure that Blue Chandra's post-Offer shareholding in our Company is not more than 24.9%, our Company shall forthwith refund the entire subscription amount received. If there is a delay of fifteen days after our Company becomes liable to pay the amount, our Company and every Director of our Company who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of under subscription in the Offer, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by the Company such that 100% of the Fresh Issue portion is subscribed;
(ii) next, such number of Offered Shares offered by Blue Chandra will be Allotted that would result in the post-Offer shareholding of Blue Chandra to be not more than 24.9%;
(iii) once the Equity Shares have been Allotted as per (i) and (ii) above, such number of Offered Shares offered by each of the Selling Shareholders, except Blue Chandra, will be proportionately Allotted that are equivalent to 15% of the number of Equity Shares held by each of GSA, GTI and IFC respectively as on the date of filing of the Red Herring Prospectus and 5% of the number of Equity Shares held by each of Ashish Jakhanwala and Manav Thadani as on the date of filing of the Red Herring Prospectus; and
(iv) finally, the balance Offered Shares offered by each of Blue Chandra, GSA, GTI and IFC will be Allotted, in proportion to their respective residual shareholding in the Company (i.e. shareholding after giving effect to the Allotment as per (ii) and (iii) above).

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

It is clarified that, subject to applicable laws, none of the Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on Transfer of Shares and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company and the Anchor Investor lock-in in the Offer as detailed in "***Capital Structure***" on page 78, and except as provided in the Articles of Association as detailed in "***Main Provisions of the Articles of Association***" on page 340, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting.

OFFER STRUCTURE

The Offer of [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 11,000 million by our Company and an Offer of Sale of up to 19,145,624 Equity Shares, aggregating ₹ [●] million (comprising up to 10,385,721 Equity Shares aggregating to ₹ [●] million by Blue Chandra, up to 4,555,894 Equity Shares aggregating to ₹ [●] million by GSA, up to 2,895,539 Equity Shares aggregating to ₹ [●] million by GTI, up to 1,067,164 Equity Shares aggregating to ₹ [●] million by IFC, up to 120,653 Equity Shares aggregating to ₹ [●] million by Ashish Jakhanwala and up to 120,653 Equity Shares aggregating to ₹ [●] million by Manav Thadani. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least [●]% of the post-Offer paid up equity share capital of our Company.

The Offer is being made through Book Building Process.

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation**	Not less than [●] Equity Shares	Not more than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	Not less than 75% of the Offer size shall Allotted to QIBs. 5% of the net QIB Category (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 balance QIB Category	Not more than 15% of the Offer less allocation to QIBs and Retail Individual Investors	Not more than 10% of the Offer less allocation to QIBs and Non Institutional Investors
Basis of Allotment 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 available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot.
Mode of Bidding	Through ASBA process only (other than Anchor Investors)		
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer (excluding the QIB Category), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		[●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to availability in the Retail Category
Trading Lot	One Equity Share		
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act 2013, FPIs (other than category III FPIs, registered with the SEBI), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, NBFC-SI, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and any category III FPIs registered with SEBI	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs
Terms of Payment****	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ***In case of all other Bidders***: Full Bid Amount shall be blocked by the SCSBs in the bank account o the Bidders, or by the Sponsor Bank through the UPI Mechanism (other than Anchor Investors) that i specified in the Bid cum Application Form at the time of the submission of the Bid cum Applicatio Form		

** Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the price at which allocation is made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor*

Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs.

***This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process wherein at least 75% of the Offer will be Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 10% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.*

****If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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.*

*****Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid-cum-Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the respective Selling Shareholders, 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.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that (i) 90% of the Fresh Issue portion of the Offer is not subscribed; or (ii) such number of Offered Shares of Blue Chandra are not subscribed as is required to ensure that Blue Chandra's post-Offer shareholding in our Company is not more than 24.9%. Our Company in consultation with the BRLMs reserves the right to not proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. In the event that the Bid/Offer Opening Date has occurred, but the commencement of listing and trading of our Equity Shares on the Stock Exchanges has not occurred by such date as has been contractually agreed between our Company and the Selling Shareholders, the Selling Shareholders reserve the right to not proceed with the Offer.

In the event of a withdrawal of the Offer after the Bid/Offer Opening Date, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank, as the case may be, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If the Company in consultation with the BRLMs withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues, 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 which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is 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 Offer.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 (“**UPI Circular**”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Thereafter, the final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid / Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of the English national daily newspaper, [●], and [●] editions of the Hindi national daily newspaper, [●], (Hindi also being the regional language of New Delhi, where our Registered Office is located) on or prior to the Bid / Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.*

Our Company, the respective Selling Shareholders and the Syndicate 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 Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category 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 Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-

Institutional Investors and not more than 10% of the Offer 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 Offer Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

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, and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), 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 Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. The Bid cum Application Forms 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/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Retail Individual Investors Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Further, Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions ^	Blue
Anchor Investors**	White

** Excluding electronic Bid cum Application Forms*
***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*
^Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

The Equity Shares have not been and will not be registered under 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 only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as U.S. QIBs, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as QIBs) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds.

Participation by associates and affiliates of the BRLMs and the Syndicate Members and the persons related to BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category 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 respective 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.

Except for Mutual Funds, AIFs or FPIs (except Category III FPIs) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion. For details, see "***- Bids by Anchor Investors***" on page 331.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company 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 may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 scheme. 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 offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Our Company has, pursuant to a Board resolution dated August 22, 2019 and resolution of the shareholders of our Company dated August 27, 2019, increased the aggregate limit for investments by NRIs to 24% of our paid-up equity share capital.

Bids by HUFs

Hindu Undivided Families or HUFs, should be made 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/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 will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In terms of applicable FEMA regulations and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the Shareholders, subject to prior intimation to the RBI. Our Company has, pursuant to a Board resolution dated August 22, 2019 and resolution of the shareholders of our Company dated August 27, 2019 increased the aggregate limit for investments by FPIs to 100% of our paid-up equity share capital.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the venture capital funds which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

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, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with 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 which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. 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 Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the 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 laws) 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

Except for Mutual Funds, AIFs or FPIs (except Category III FPIs) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

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 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 reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the respective Selling Shareholders 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 the Red Herring Prospectus, when filed. 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 laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in New Delhi where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. 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;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;

4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the Bid cum Application Form contains the stamp of such Designated Intermediary;

9. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

10. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be). Bidders (except Retail individual Investors Bidding using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. Retail Individual Investors Bidding using the UPI Mechanism should ensure that they have mentioned the correct UPI-linked bank account number and their correct UPI ID in the Bid cum Application Form;

11. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

12. 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 only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

15. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a 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 a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT 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;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. 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;

19. 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 electronic Bidding system of the Stock Exchanges;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Bidders (except Retail Individual Investors Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

23. Note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

24. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and Retail Individual Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

25. 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;

26. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor may be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

27. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

28. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;

29. Bids by Eligible NRIs, HUFs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/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;

11. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

13. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

17. 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;

18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

19. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;

20. 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;

21. 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);

22. Do not submit more than one Bid cum Application Form per ASBA Account;

23. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;

24. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and

25. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information***" on page 69.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account

Our Company in consultation with the BRLMs in their 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated June 18, 2019 among NSDL, the Company and the Registrar to the Offer.

- Agreement dated June 14, 2019 among CDSL, the Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) If Allotment is not made within the prescribed time under applicable law, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such other time as may be specified by SEBI, failing which our Company shall pay interest prescribed under the Companies Act, 2013 and the SEBI ICDR Regulations for the delayed period;

(iii) That all steps will be taken 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 within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;

(iv) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;

(v) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) That, except for (i) the Pre-IPO Placement, (ii) any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOP Schemes and (iii) conversion of the IFC CCDs into a maximum of 6,565,230 Equity Shares in aggregate, prior to filing the Red Herring Prospectus with the RoC, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(vii) That if our Company and the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(viii) In the event that the Offer is withdrawn, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer;

(ix) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;

(x) That adequate arrangements shall be made to collect all Bid cum Application Forms; and

(xi) That our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes, severally and not jointly, in respect of itself as a Selling Shareholder and its portion of the Offered Shares offered by it in the Offer for Sale that:

(i) the Equity Shares offered for sale by it (or in the case of IFC, will be offered for sale, pursuant to conversion of the IFC CCDs into Equity Shares) in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

(ii) it is the legal and beneficial owner of and holds clear and marketable title (or in the case of IFC, will be the legal and beneficial owner of and will hold full title, pursuant to conversion of the IFC CCDs into Equity Shares) to its respective portion of the Offered Shares, which are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions, both present and future, and shall be in dematerialized form, at the time of transfer;

(iii) it is not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any governmental or regulatory authority or court;

(iv) it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement; and

(v) it shall not have recourse to the proceeds of the Offer until final listing and trading approvals are received from the Stock Exchanges.

The decisions with respect to (i) the Price Band and revision of the Price Band will be taken by our Company, Blue Chandra and GSA, in consultation with the BRLMs, and (ii) the minimum Bid lot, and Offer Price, will be taken by our Company, in consultation with the BRLMs.

Only the statements and undertakings in relation to the Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are confirmed or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings made or confirmed" by the Selling Shareholders. No other statement in this Draft Red Herring Prospectus will be deemed to be "made or confirmed" by a Selling Shareholder, even if such statement relates to such Selling Shareholder.

Utilisation of Offer Proceeds

Our Board certifies that:

(i) all monies received out of the Fresh 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;

(ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

(iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested. The Company, each of the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received out of the Offer shall be 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**") issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to August 28, 2017. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the FDI policy, FDI in companies engaged in hotels/ hospitality sector as well as those engaged in construction development of hotel projects, is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible NRIs***" and "***Offer Procedure – Bids by FPIs***" on pages 328 and 329, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see "***Offer Procedure***" on page 326.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders 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 the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company comprise two parts, Part A and Part B. Upon the commencement of listing of the Equity Shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall automatically come in effect and be in force, without any further corporate or other action by the Company or its shareholders.

PART A OF THE ARTICLES OF ASSOCIATION

Applicability of Table F

Article I provides that the regulations contained in Table 'F' of Schedule I of Companies Act 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

Share Capital and Variation of Rights

Article 3 provides that "The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles."

Article 4 provides that "Subject to the provisions of the Act and these Articles, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with the provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to 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 deems fit, and may issue and allot Shares 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 so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Notwithstanding the foregoing, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting."

Article 5 provides that "Subject to these Articles and the provisions of the Act, 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."

Article 6 provides that "Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:

- (i) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
- (ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (iii) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or
- (iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act."

Article 7 provides that "Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles."

Article 8 provides that "Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine."

Article 9 provides that "The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act."

Article 10 provides that "Where at any time, it is proposed to increase its subscribed capital by the issue/allotment of further Shares either out of the unissued capital or increased Share Capital then, such further Shares may be offered to:

(i) Persons who, at the date of offer, are holders of equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (a) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in (i) shall contain a statement of this right, provided that the Board may decline, without assigning any reason therefore, to allot any Shares to any Person in whose favor any Member may renounce the Shares offered to him; and (c) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

    Nothing in sub-Article (i) (b) above shall be deemed to extend the time within which the offer should be accepted; or to authorize any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(ii) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(iii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, 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 compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a special resolution to this effect is passed by the Company in a General Meeting."

Article 11 provides that "Nothing in Article 10 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into Shares in the Company or to subscribe for Shares in the Company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution adopted by the Company in a General Meeting."

Article 12 provides that "Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person."

Article 13 provides that "Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act."

Article 14 provides that “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 accordingly. To every such separate general meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply.”

Article 15 provides that “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.”

Article 16 provides that “Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.”

Article 17 provides that “Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act, the Company shall have the power to buy-back its own Shares or other securities, as it may consider necessary.”

Article 18 provides that “Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.”

Article 19 provides that “Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(i) the Share Capital;
(ii) any capital redemption reserve account; or
(iii) any securities premium account.”

Capitalisation of Profits

Article 20 provides that “The Company in 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 21 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

Article 21 provides that “The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 22 below, either in or towards:

(i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or
(ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or
(iii) partly in the way specified in Article 21 (i) and partly in that specified in Article 21 (ii);
(iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.
(v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 22 provides that “Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
(ii) generally do all acts and things required to give effect thereto.”

Commission

Article 25 provides that “The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder."

Article 26 provides that "The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules."

Article 27 provides that "The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other."

Lien

Article 28 provides that "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) to the extent of monies called or payable in respect thereof, 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. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/debentures 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."

Article 29 provides that "Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien."

Article 30 provides that "A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien."

Calls on Shares

Article 31 provides that "Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times."

Article 32 provides that "Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares."

Article 33 provides that "A call may be revoked or postponed at the discretion of the Board."

Article 34 provides that "A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments."

Article 35 provides that "The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof."

Article 36 provides that "If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part."

Article 37 provides that "Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. 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."

Article 38 provides that "The Board may, if it thinks fit, subject to the provisions 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 amount 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 determined by the Board and the Member paying such sum in advance 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.

The 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 these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company."

Transfer and Transmission of Shares

Article 48 provides that "The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer 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 transfers of Shares and the registration thereof."

Article 49 provides that "Subject to the provisions of the Act, these Articles, any listing agreement entered into with any recognized stock exchange and any other applicable Law for the time being in force, the Board may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases, the Directors shall within 1 (one) month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer. 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 or other Securities, provided however, that the Board may decline to register or acknowledge any transfer, whether fully paid-up or not, if the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under applicable Law as applicable to the Company, and further, that the decision of the Board or any persons designated by the Board with respect to whether the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under Applicable Law as applicable to the Company shall be final and binding in all respects. Transfer of Shares/debentures in whatever lot shall not be refused."

Article 50 provides that "Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, 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 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year."

Article 51 provides that "No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents."

Article 52 provides that "On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons."

Article 53 provides that "Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(i) to be registered as holder of the Share; or
(ii) to make such transfer of the Share as the deceased or insolvent Member could have made."

Article 54 provides that "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."

Article 55 provides that "If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects."

Article 56 provides that "If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares."

Article 57 provides that "All the limitations, restrictions and provisions contained in these Articles 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."

Article 58 provides that "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 the General 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with."

Forfeiture of Shares

Article 59 provides that "If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued."

Article 60 provides that "The notice issued under Article 59 shall:

(i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited."

Article 61 provides that "If the requirement of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect."

Article 62 provides that "A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit."

Article 63 provides that "At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit."

Article 64 provides that "A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares."

Article 65 provides that "The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares."

Article 66 provides that "A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Person claiming to be entitled to the Share."

Article 67 provides that "The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of."

Article 68 provides that "The transferee shall there upon be registered as the holder of the Share."

Article 69 provides that "The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share."

Article 70 provides that "The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified."

Shareholders' Meetings

Article 76 provides that "An annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine."

Article 78(i) provides that "The Board may, whenever it thinks fit, call an extraordinary General Meeting."

Proceedings at Shareholders' Meetings

Article 79 provides that "No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business."

Article 80 provides that "Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act."

Article 85 provides that "The Chairman may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place."

Article 90 provides that "Directors may attend and speak at General Meetings, whether or not they are shareholders."

Article 92 provides that "The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company."

Article 93 provides that "If there is no such Chairman or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairman of the General Meeting, the Directors present shall elect one of their members to be the Chairman of the General Meeting."

Article 94 provides that "If at any General Meeting no Director is willing to act as the Chairman or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairman of the General Meeting."

Votes of Members

Article 95 provides that "Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(i) on a show of hands, every Member present in Person shall have 1 (one) vote; and

(ii) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Share Capital."

Article 96 provides that "The Chairman shall not have a second or casting vote in the event of an equality of votes at General Meetings of the Company."

Article 98 provides that "Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll."

Article 99 provides that "A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once."

Article 102 provides that "No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid."

Proxy

Article 105 provides that "Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting."

Article 106 provides that "The proxy shall not be entitled to vote except on a poll."

Article 107 provides that "The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid."

Article 108 provides that "An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder."

Directors

Article 110 provides that "The business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or by these Articles."

Article 111 provides that "Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year."

Article 113 provides that "Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation. Any Director duly appointed by the Company for a fixed term (including the Independent Directors and the Managing Director) shall not be liable to retire by rotation."

Article 115 provides that "Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act."

Article 116 provides that “The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. The Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the provisions of Section 197 of the Act.”

Article 117 provides that “Subject to the applicable provisions of the Act, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.”

Article 118 provides that “Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.”

Article 119 provides that “In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an “Original Director”), subject to these Articles, the Board may appoint another Director (an “Alternate Director”), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.”

Article 120 provides that “The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.”

Article 121 provides that “At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.”

Article 124 provides that “Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following annual General Meeting or the last date on which the annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.”

Article 126 provides that “If the office of any Director appointed by the Company in 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 but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.”

Article 127 provides that “In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification shares.”

Article 127A provides that “Notwithstanding anything contained in these Articles, so long as any Shareholder individually holds at least 15% of the Company’s fully diluted paid-up share capital, such Shareholder shall be entitled to nominate one non-executive, non-independent Director on the Board, subject to approval of the Shareholders of the Company as required under the Act.”

Article 127B provides that “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 or reasonably.”

Managing Director or Whole Time Director

Article 128 provides that “The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.”

Article 129 provides that “Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.”

Article 130 provides that “Subject to the provisions of the Act, a managing director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine.”

Meetings of the Board

Article 132 provides that “The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.”

Article 134 provides that “Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.”

Article 135 provides that “The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. Provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.”

Article 136 provides that “The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.”

Article 140 provides that “The Board may elect a Chairman for its meetings and determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.”

Article 141 provides that “In case of equality of votes, the Chairman of the Board shall have a second or casting vote at Board meetings of the Company.”

Article 142 provides that “The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.”

Article 143 provides that “Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.”

Article 144 provides that "A committee may elect a Chairman of its meetings and may also determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairman of the meeting."

Article 148 provides that "All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director."

Powers of the Directors

Article 150 provides that "The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by the Members in the General Meeting."

Article 151 provides that "Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers to such managers, agents or other Persons as they may deem fit and may at their own discretion revoke such powers."

Article 152 provides that "The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time."

Article 153 provides that "Subject to the provisions of the Act and these Articles, the Board 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 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 General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made."

Article 154 provides that "Subject to the provisions of the Act and the and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available."

Article 155 provides that "The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise any other Person or Persons to exercise such powers."

Borrowing Powers

Article 156 provides that "Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures 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 or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient."

Article 157 provides that "The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up share capital, free reserves and securities premium of the Company."

Dividends and Reserves

Article 158 provides that "The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 159 provides that "Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company."

Article 160 provides that "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 applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve."

Article 161 provides that "Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares."

Article 163 provides that "All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly."

Article 164 provides that "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."

Article 165 provides that "Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft 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 of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct."

Article 169 provides that "No dividend shall bear interest against the Company."

Article 170 provides that "The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of the declaration, the Company shall within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend of SAMHI Hotels Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Law."

Winding up

Article 173 provides that "The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable)."

Audit

Article 175 provides that "Subject to the provisions of the Act, the Company shall appoint an auditor at an annual General Meeting to hold office from the conclusion of that annual General Meeting until the conclusion of the sixth annual General Meeting from such annual General Meeting, and every auditor so appointed shall be informed of his appointment within 15 days."

PART B OF THE ARTICLES OF ASSOCIATION

Part B of the Articles of Association provide for, among other things, the rights of certain shareholders pursuant to the Shareholders' Agreement. For more details on the Shareholders' Agreement, see "***History and Certain Corporate Matters – Shareholders' agreements***" on page 155.

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 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 to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus filed with the Registrar of Companies, and also the documents for inspection referred to hereunder may be inspected at our Registered Office and our Corporate Office, from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Material Contracts to the Offer

1. Offer Agreement dated September 24, 2019 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 23, 2019 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.
4. Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Banker(s) to the Offer, and the Registrar to the Offer.
5. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, and a share escrow agent.
6. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and Syndicate Members.
7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, Registrar to the Offer and Syndicate Members.

Other Material Contracts in relation to our Company

1. Amended and Restated Shareholders' Agreement dated December 11, 2015 executed by and amongst Ashish Jakhanwala, Manav Thadani, Blue Chandra, GTI, Shree Naman Developers Private Limited, Thadani Hospitality LLP, Ray Ltd., IFC, GSA and our Company, as amended by Amendment No.1 to the Amended and Restated Shareholders' Agreement dated July 30, 2019 executed by and amongst the aforementioned parties.
2. Waiver Letter dated July 30, 2019 executed by and amongst Ashish Jakhanwala, Manav Thadani, Blue Chandra, GTI, Shree Naman Developers Private Limited, Thadani Hospitality LLP, Ray Ltd., IFC, GSA and our Company.
3. Call Option Deeds each dated December 11, 2015 amongst our Company, GSA and (i) Ashish Jakhanwala, Shree Naman Developers Private Limited and Thadani Hospitality LLP, (ii) Blue Chandra, (iii) GTI, (iv) Ray Ltd. and (v) Manav Thadani.
4. Call Option Agreement dated December 11, 2015 amongst our Company, Blue Chandra, GTI, Ashish Jakhanwala and Manav Thadani.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.
2. Certificate of incorporation dated December 28, 2010 and fresh certificate of incorporation dated August 16, 2019 consequent upon conversion into a public limited company.
3. Resolution of the board of directors of Blue Chandra, GTI and GSA dated September 13, 2019, September 10, 2019 and September 23, 2019, respectively, authorizing the inclusion of their respective portions of the Offered Shares.
4. Consent letters, each dated September 23, 2019, from Blue Chandra, GSA, GTI, IFC, Ashish Jakhanwala and Manav Thadani, consenting to the inclusion of their respective portions of the Offered Shares.
5. Resolution of the Board dated September 2, 2019 in relation to the Offer and other related matters.
6. Resolution dated September 5, 2019 of the Shareholders of our Company in relation to the Fresh Issue and other related matters.
7. Copies of our annual reports for the preceding three Fiscals.

8. Employee Stock Option Plan 2016, Employee Stock Option Plan 2019 – I, Employee Stock Option Plan 2019 - II and Employee Stock Option Plan 2019 - III.
9. The examination report dated September 21, 2019 of our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, on our Restated Financial Statements.
10. Consent from the Auditors namely, B S R & Co. LLP, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an auditor and in respect of their examination report dated September 21, 2019 on our Restated Financial Statements and their report dated September 23, 2019 on the statement of possible special tax benefits included in this Draft Red Herring Prospectus. However, they should not be construed as "experts" as defined under U.S. Securities Act.
11. Consent of Nangia & Co. LLP, Chartered Accountants, for inclusion of their report or any extracts thereof in relation to certain operating metrics, financial information not otherwise included in our Restated Financial Statements and certain business information and data included in this Draft Red Herring Prospectus.
12. Consent of SnJ Associates, Independent Architects, in respect of the architect certificate issued by them.
13. Consents of bankers to our Company, the BRLMs, Registrar to the Offer, legal counsel, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, to act in their respective capacities.
14. Board resolutions dated August 22, 2019 and September 2, 2019 and Shareholders resolutions dated August 27, 2019 and September 5, 2019 for appointment of Ashish Jakhanwala as Managing Director and Chief Executive Officer and approval of his terms of appointment, including his remuneration.
15. Statement of possible special tax benefits dated September 23, 2019 from the Statutory Auditors, included in this Draft Red Herring Prospectus.
16. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
17. Tripartite Agreement dated June 18, 2019, among our Company, National Securities Depository Limited and the Registrar to the Offer.
18. Tripartite Agreement dated June 14, 2019, among our Company, CDSL and the Registrar to the Offer.
19. Due diligence certificate to SEBI from the BRLMs dated September 24, 2019.
20. Industry report titled "India Hospitality Overview" dated September 2019 by HVS.
21. Final observation letter dated [●] issued by SEBI.

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 with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or 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

Ashish Jakhanwala
(Chairman, Managing Director and Chief Executive Officer)

Brian Douglas Finerty
(Non-executive Director)

Manav Thadani
(Non-executive Director)

Michael Peter Schulhof
(Non-executive Director)

Anita Ramachandran
(Independent Director)

Arjun Sharma
(Independent Director)

Bonnie Susan Gottlieb
(Independent Director)

Dilip Puri
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Rajat Mehra

Place: Gurugram, Haryana

Date: September 24, 2019

DECLARATION BY BLUE CHANDRA PTE. LTD.

Blue Chandra Pte. Ltd. hereby confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale, are true and correct. Blue Chandra Pte. Ltd. assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Blue Chandra Pte. Ltd.

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Name: **Linxi Chang**
Authorised Signatory
Date: September 24, 2019

DECLARATION BY GOLDMAN SACHS INVESTMENTS HOLDINGS (ASIA) LIMITED

Goldman Sachs Investments Holdings (Asia) Limited hereby confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale, are true and correct. Goldman Sachs Investments Holdings (Asia) Limited assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Goldman Sachs Investments Holdings (Asia) Limited

Name: **Oliver John Geoffrey Bingham**
Authorised Signatory
Date: September 24, 2019

DECLARATION BY GTI CAPITAL ALPHA PVT LTD

GTI Capital Alpha Pvt Ltd hereby confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale, are true and correct. GTI Capital Alpha Pvt Ltd assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of GTI Capital Alpha Pvt Ltd

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Name: **Tooram Gopall**
Authorised Signatory
Date: September 24, 2019

DECLARATION BY INTERNATIONAL FINANCE CORPORATION

International Finance Corporation hereby confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it through the Offer for Sale, are true and correct. International Finance Corporation assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of International Finance Corporation

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Name: **Monica J. Chander**
Authorised Signatory
Date: September 24, 2019

DECLARATION BY ASHISH JAKHANWALA

Ashish Jakhanwala hereby confirms that all statements and undertakings made or confirmed by him in this Draft Red Herring Prospectus about or in relation to himself as a Selling Shareholder and the Equity Shares offered by him through the Offer for Sale, are true and correct. Ashish Jakhanwala assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: **Ashish Jakhanwala**
Date: September 24, 2019

DECLARATION BY MANAV THADANI

Manav Thadani hereby confirms that all statements and undertakings made or confirmed by him in this Draft Red Herring Prospectus about or in relation to himself as a Selling Shareholder and the Equity Shares offered by him through the Offer for Sale, are true and correct. Manav Thadani assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

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Name: **Manav Thadani**
Date: September 24, 2019