



LEMON TREE HOTELS LIMITED

Our Company was incorporated as "P.M.G Hotels Private Limited" on June 2, 1992, 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 New Delhi and Haryana ("RoC"). Pursuant to a resolution of our shareholders dated December 13, 2002, the name of our Company was changed to "Krizm Hotels Private Limited" and a fresh certificate of incorporation was issued by the RoC on January 7, 2003, pursuant to such change in our name. Further, pursuant to a resolution of our shareholders dated June 2, 2010, the name of our Company was changed to "Lemon Tree Hotels Private Limited" and a fresh certificate of incorporation consequent to change in name was issued by the RoC on June 10, 2010. On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on September 29, 2012, our name was changed to "Lemon Tree Hotels Limited" and a fresh certificate of incorporation was issued by the RoC on October 22, 2012. For details of changes in name and registered office of our Company, see "**History and Certain Corporate Matters**" on page 164.

Corporate Identity Number: U74899DL1992PLC049022

Registered and Corporate Office: Asset No. 6, Aerocity Hospitality District, New Delhi 110 037, India **Tel:** +91 11 4605 0101 **Facsimile:** +91 11 4605 0110

Contact Person: Mr. Nikhil Sethi, Group Company Secretary & General Manager Legal and Compliance Officer **Tel:** +91 11 4605 0122 **Facsimile:** +91 11 4605 0110

E-mail: sectdept@lemontreehotels.com **Website:** www.lemontreehotels.com

OUR PROMOTERS: MR. PATANJALI GOVIND KESWANI AND SPANK MANAGEMENT SERVICES PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO 195,797,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF LEMON TREE HOTELS LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 94,500,053 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MAPLEWOOD INVESTMENT LTD ("MAPLEWOOD"), UP TO 25,320,584 EQUITY SHARES AGGREGATING TO [●] MILLION BY RJ CORP LIMITED ("RJ CORP"), UP TO 13,999,416 EQUITY SHARES AGGREGATING TO [●] MILLION BY RAVI KANT JAIPURIA AND SONS (HUF) ("RKJ HUF"), UP TO 10,317,600 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY CITRON LIMITED ("CITRON"), UP TO 6,986,180 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY WHISPERING RESORTS PRIVATE LIMITED ("WHISPERING RESORTS"), UP TO 883,440 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY SWIFT BUILDERS LIMITED ("SWIFT BUILDERS"), UP TO 23,649,816 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY FIVE STAR HOSPITALITY INVESTMENT LIMITED ("FIVE STAR"), UP TO 19,159,911 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY PALMS INTERNATIONAL INVESTMENTS LIMITED ("PALMS INTERNATIONAL"), UP TO 480,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. SATISH CHANDER KOHLI AND UP TO 500,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. RAJ PAL GANDHI TOGETHER, THE "SELLING SHAREHOLDERS" AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO 24.90% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND MAPLEWOOD, IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GCBRLMS") AND THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE 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 IN THE PLACE WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 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 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 GCBRLMs and the BRLM, and at the terminals of the members of the Syndicate and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Registered Brokers, Collecting Registrar and Share Transfer Agents ("CRTAs") and Collecting Depository Participants ("CDPs").

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"). It is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") through the Book Building Process, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors (the "Anchor Investor Portion") on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and Maplewood in consultation with the GCBRLMs and the BRLM. 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 QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, shall mandatorily participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through ASBA process. For details, see "**Offer Procedure**" on page 278.

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 of our Company. The face value of our Equity Shares is ₹ 10 and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company and Maplewood in consultation with the GCBRLMs and the BRLM, in accordance with SEBI ICDR Regulations, and as stated in "**Basis for Offer Price**" on page 114) 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 the 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 the 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 the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "**Risk Factors**" on page 15.

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 Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically 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, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company or the other Selling Shareholders in this Draft Red Herring Prospectus.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. 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 purposes of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to 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. For details, see "**Material Contracts and Documents for Inspection**" on page 327.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE OFFER

Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 Facsimile: + 91 22 6713 2447 E-mail: lth.ipo@kotak.com Investor grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration No.: INM000008704	CLSA India Private Limited 8/F, Dalamal House, Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 22 6650 5050 Facsimile: +91 22 2284 0271 E-mail: lemontree.ipo@citicclsa.com Investor grievance E-mail: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact person: Mr. Ankur Garg SEBI Registration No: INM000010619	J.P. Morgan India Private Limited J.P. Morgan Tower, Off. C.S.T. Road Kalina, Santacruz (East) Mumbai 400 098 Maharashtra, India Tel.: +91 22 6157 3000 Facsimile: +91 22 6157 3911 Email: lemontree_ipo@jpmorgan.com Website: www.jpimipl.com Investor grievance email: investorsmb.jpimipl@jpmorgan.com Contact Person: Ms. Prateeksha Runwal SEBI Registration. No.: INM000002970	YES Securities (India) Limited IFC, Tower 1&2, Unit No. 602 A 6 th floor, Senapati Bapat Marg Elphinstone (W), Mumbai 400 013 Maharashtra, India Tel: +91 22 7100 9829 Facsimile: +91 22 2421 4508 E-mail: lemontree.ipo@yessecuritiesltd.in Investor grievance e-mail: igc@yessecuritiesltd.in Website: www.yesinvest.in Contact Person: Mr. Mukesh Garg SEBI Registration No.: MB/INM000012227	Karvy Computershare Private Limited Karvy Selenium Tower - B Plot 31 and 32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 Facsimile: +91 40 2343 1551 Email: lemontree.ipo@karvy.com Investor Grievance e-mail: einward.ris@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. M. Muralikrishna SEBI Registration No.: INR000000221

BID/OFFER PERIOD

BID/OFFER OPENS ON*

[●]

BID/OFFER CLOSES ON **

[●]

* Our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, 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 and Maplewood, in consultation with the GCBRLMs and the BRLM, 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 shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments 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 Lemon Tree Hotels Limited, a company incorporated in India under the Companies Act 1956 with its Registered and Corporate Office at Asset No. 6, Aerocity Hospitality District, New Delhi, 110 037, India and references to “**we**”, “**us**” and “**our**” are references to our Company, together with its Subsidiaries and Associate Companies (each as defined below).

Company Related Terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
APG	APG Strategic Real Estate Pool N.V.
APG Investor Agreement	Share subscription and investor rights agreement dated April 25, 2012 entered into among our Company, APG, Mr. Patanjali Govind Keswani, SMSPL, Aster and PRN, as amended
Associate Company(ies)	Collectively, Mind Leaders and Pelican, being our associate companies as per IND AS 28
Aster	Aster Hotels & Resorts Private Limited
Audit Committee	The audit committee of our Board
Auditors/ Statutory Auditors	The statutory auditors of our Company, being S.R. Batliboi & Co. LLP
Bandhav	Bandhav Resorts Private Limited
Begonia	Begonia Hotels Private Limited
Begonia SSHA	Subscription and shareholders’ agreement dated June 15, 2015 entered into among APG, our Company, Mr. Patanjali Govind Keswani and Begonia
Board/ Board of Directors	The board of directors of our Company
Canary	Canary Hotels Private Limited
Carnation	Carnation Hotels Private Limited
Celsia	Celsia Hotels Private Limited
Citron	Citron Limited
Citron Agreements	Together, the share purchase agreements entered into among our Company, Mr. Patanjali Govind Keswani (as a Promoter) and certain erstwhile shareholders of our Company (including certain employees) and the Citron rights agreement, entered into among our Company, Mr. Patanjali Govind Keswani (as a Promoter and as a representative of certain of his affiliates) and Citron, as amended, each dated March 19, 2008
Dandelion	Dandelion Hotels Private Limited
Director(s)	The director(s) on our Board
Equity Shareholders	The holders of the Equity Shares
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Five Star	Five Star Hospitality Investment Limited
Fleur	Fleur Hotels Private Limited
Fleur SSHA	Subscription and shareholders’ agreement dated April 25, 2012 entered into among APG, our Company, Mr. Patanjali Govind Keswani and Fleur
Gokal Group	Collectively, Mr. Nakul Arun Jagjivan (including as a legal heir of Ms. Nilam Arun Gokal), Mr. Bhavesh Ravindra Gokal, Mr. Ravindra Jagjivan Gokal and Five Star
Grey Fox	Grey Fox Project Management Company Private Limited
Group Companies	The group companies of our Company, being companies covered under the applicable accounting standards and other companies as considered material by our Board, if any, in accordance the Materiality Policy and described in “ Our Promoters, Promoter Group and Group Companies ” on page 199
Happy Shrimp	Happy Shrimp Hospitality Private Limited
HeadStart	HeadStart Institute Private Limited
Hyacinth	Hyacinth Hotels Private Limited
Inovoa	Inovoa Hotels and Resorts Limited
Iora	Iora Hotels Private Limited
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer
KMP/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act 2013 and as described in “ Our Management ” on page 181
Lemon Tree Hotel	Lemon Tree Hotel Company Private Limited

Term	Description
Manakin	Manakin Resorts Private Limited
Maplewood	Maplewood Investment Ltd
Maplewood SHA	Together, the share subscription agreement and the shareholders' agreement, each dated July 25, 2006 entered into among our Company, Maplewood, Mr. Patanjali Govind Keswani, Gokal Group, RJ Corp, Palms International, Aster and PRN, including the amendments thereof
Materiality Policy	The policy adopted by our Board on August 11, 2017 for identification of Group Companies, outstanding litigation and outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations
Meringue	Meringue Hotels Private Limited
Mezereon	Mezereon Hotels LLP
Mind Leaders	Mind Leaders Learning India Private Limited
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Muskan	Muskan Properties Private Limited
Nightingale	Nightingale Hotels Private Limited
Nightingale SSHA	Subscription and shareholders' agreement dated February 19, 2015 entered into among APG, our Company, Mr. Patanjali Govind Keswani and Nightingale
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board
Ophrys	Ophrys Hotels Private Limited
Oriole	Oriole Dr. Fresh Hotels Private Limited
PRN	PRN Management Services Private Limited
Palms International	Palms International Investments Limited
Pelican	Pelican Facilities Management Private Limited
Preference Shares	The cumulative, redeemable preference shares of our Company of face value of ₹ 100 each
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations and disclosed in " Our Promoters, Promoter Group and Group Companies " on page 199
Promoters	The promoters of our Company, namely Mr. Patanjali Govind Keswani and SMSPL
Proposed Amalgamation	The proposed amalgamation of Aster, PRN and HeadStart, currently members of our Promoter Group with our Company and for which a petition and scheme dated August 3, 2017 (C.A. (CAA)-101(PB)/2017)) has been filed with the National Company Law Tribunal
PSK	PSK Resorts and Hotels Private Limited
RKJ HUF	Ravi Kant Jaipuria and Sons (HUF)
RJ Corp	RJ Corp Limited
Red Fox	Red Fox Hotel Company Private Limited
Registered and Corporate Office	The registered and corporate office of our Company located at Asset No. 6, Aerocity Hospitality District, New Delhi 110 037, India
Restated Consolidated Financial Statements	The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended March 31, 2017 and March 31, 2016 and Restated Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The restated consolidated financial statements for the years ended March 31, 2015, 2014 and 2013 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. The Restated Consolidated Financial Information have been compiled by our Company from the audited consolidated financial statements of our Company as at and for the year ended March 31, 2017 prepared under Ind AS and as at and for the years ended March 31, 2016, 2015, 2014 and 2013 prepared under Indian GAAP.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Unconsolidated Financial Statements
Restated Unconsolidated Financial Statements	The Restated Unconsolidated Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Unconsolidated Statement of Profit and Loss, the Restated Unconsolidated Statement of Changes in Equity and the Restated Unconsolidated Statement of Cash flows for the years ended March 31, 2017 and March 31, 2016 and Restated Other Unconsolidated Financial Information (together referred as 'Restated Unconsolidated Financial Information') has been prepared under Indian Accounting Standards notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The restated unconsolidated financial statements for the years ended

Term	Description
	March 31, 2015, 2014 and 2013 has been prepared on proforma basis in accordance with requirements of the SEBI Circular and Guidance note on reports in company prospectuses issued by ICAI.
	The Restated Standalone Financial Information have been compiled by our Company from the audited standalone financial statements as at and for the year ended March 31, 2017 prepared under Ind AS and as at and for the years ended March 31, 2016, 2015, 2014 and 2013 prepared under the Indian GAAP.
Selling Shareholders	Collectively, Maplewood, RJ Corp, RKJ HUF, Five Star, Citron, Whispering Resorts, Palms International, Swift Builders, Mr. Satish Chander Kohli and Mr. Raj Pal Gandhi
SMSPL	Spank Management Services Private Limited
Spank Hotels	Spank Hotels Private Limited
Stakeholders' Committee	Relationship The stakeholders' relationship committee of our Board
Subsidiaries	The subsidiaries of our Company as disclosed in " History and Certain Corporate Matters – Subsidiaries of our Company " on page 174
Sukhsagar	Sukhsagar Complexes Private Limited
Swift Builders	Swift Builders Limited
Tangerine	Tangerine Hotels Private Limited
Valerian	Valerian Management Services Private Limited
Whispering Resorts	Whispering Resorts Private Limited
Winsome	Winsome Entertainment and Tourism Private Limited

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid
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	The transfer of the Equity Shares to successful Bidders pursuant to the Offer
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
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 the 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. The Anchor Investor Offer Price will be decided by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, to Anchor Investors, on a discretionary basis, in accordance with 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 and Maplewood, in consultation with the GCBRLMs and the BRLM.
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
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application 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 by an Anchor Investor)
ASBA Form	An application form, whether physical or electronic, used by 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) and Public Offer Account Bank(s)
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 278
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 the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' will be construed accordingly.

Term	Description
Bid Amount	The highest value of the optional 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 (including an Anchor Investor) shall make a Bid, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, 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 in the place where our Registered and Corporate Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and also intimated to SCSBs, the Registered Brokers, CRTAs and CDPs. Our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, may decide to close the Bid/ Offer Period for QIBs 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 Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, 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 in the place where our Registered and Corporate Office is located)
Bid/Offer Period	Except in relation to 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
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, and 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 CRTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Manager/ BRLM/ YES Securities	YES Securities (India) Limited
Broker Centres	Broker centres of the Registered Brokers, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. 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
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares 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
Circular on Streamlining of Public Issues	Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Client ID	Client identification number of the Bidder's beneficiary account
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 the Circular on Streamlining of Public Issues.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues.
Cut-off Price	The Offer Price, finalized by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, 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 Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details
Designated SCSB Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application 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 (www.nseindia.com and www.bseindia.com) and updated from time to time

Term	Description
Designated Date	The date on which the funds from the Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account or Refund Account, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and CRTAs, 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 CRTAs where Bidders (other than 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 CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated September 19, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI	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 constitutes an invitation to subscribe for the Equity Shares
Escrow Account	Account opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated [●], to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, GCBRLMs and the BRLM, the Escrow Bank and Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds, if any, on the terms and conditions thereof
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an offer 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 Bidders, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the 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
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and certain other amendments to applicable laws and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in “Offer Procedure” on page 278
Global Co-ordinators and Book Running Lead Managers	Collectively, Kotak Mahindra Capital Company Limited, CLSA India Private Limited and J.P. Morgan India Private Limited
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or 1,957,970 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
Non-Institutional Category	The portion of the Offer, being not less than 15% of the Offer or 29,369,550 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/Offer for Sale	Public offer of up to 195,797,000 Equity Shares for cash at a price of ₹ [●] each by the Selling Shareholders in terms of the Red Herring Prospectus and the Prospectus. The Offer shall constitute up to 24.90% of the post-Offer paid up Equity Share capital of our Company
Offer Agreement	The agreement dated September 19, 2017 entered into among our Company, the Selling Shareholders and the GCBRLMs and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM in terms of the Red Herring Prospectus on the Pricing Date
Offered Shares	195,797,000 Equity Shares comprising up to 94,500,053 Equity Shares offered by Maplewood, up to 25,320,584 Equity Shares offered by RJ Corp, up to 13,999,416 Equity Shares offered by RKJ HUF, up to 10,317,600 Equity Shares offered by Citron, up to 6,986,180 Equity Shares offered by Whispering Resorts, up to 883,440 Equity Shares offered by Swift Builders, up to 23,649,816 Equity Shares offered by Five Star, up to 19,159,911 Equity Shares offered by Palms International, up to

Term	Description
	480,000 Equity Shares offered by Mr. Satish Chander Kohli and up to 500,000 Equity Shares offered by Mr. Raj Pal Gandhi
Price Band	Price band ranging from a Floor Price of ₹ [●] to a Cap Price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, 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 in the place where our Registered and Corporate Office is located) at least five 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 and Maplewood, in consultation with the GCBRLMs and the BRLM, 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 Section 26 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	The bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act 2013 to receive monies from the Escrow Accounts and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The bank(s) with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●]
QIB Category	The portion of the Offer, being not more than 50% of the Offer or 97,898,500 Equity Shares to 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 and Maplewood, in consultation with the GCBRLMs and the BRLM), 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)(zd) 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 and 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
Refund Account(s)	Account(s) 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 or other Bidders, if required
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) have will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids at the Broker Centres in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar Agreement	The agreement dated September 19, 2017, entered into among 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 Computershare Private Limited
Retail Category	The portion of the Offer, being not less than 35% of the Offer or 68,528,950 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) (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agreements	Agreements to be entered into among the Selling Shareholders, our Company and a 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 is included in the Bid cum Application Form
Stock Exchanges	Collectively, the BSE Limited and the National Stock Exchange of India Limited

Term	Description
Syndicate Agreement	The agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection/ procurement of Bid 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 Syndicate	Collectively, the GCBRLMs, the BRLM and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] among our Company, the Selling Shareholders, the Underwriters and the Registrar to the Offer, to be entered into on or after the Pricing Date but prior to filing of the Prospectus
Working Day(s)	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai, India are open for business; provided however, for the purposes of announcement of Price Band and the Bid/ Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai, India are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Conventional and General Terms and Abbreviations

Term	Description
AAI Act	Airports Authority of India Act, 1994
AIF(s)	Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
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 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	The Companies Act 1956 and the Companies Act 2013, as applicable
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The Consolidated Foreign Direct Investment Policy, effective from August 28, 2017 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	Copyright Act, 1957
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DP ID	Depository Participant’s identity number
EBITDA	Earnings before interest, tax, depreciation and amortization
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCA	Forest (Conservation) Act, 1980
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
Financial Year/Fiscal/ Fiscal Year	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 SEBI FVCI Regulations) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India

Term	Description
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in and notified by the Ind AS Rules
Ind AS 24	IND AS 24, Related Party Disclosure issued by the Ministry of Corporate Affairs
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IT	Information Technology
ITC	Input Tax Credit
MCA	The Ministry of Corporate Affairs, GoI
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NCLT	National Company Law Tribunal
NCR	National Capital Region
Notified Sections	The sections of the Companies Act 2013 that have been notified by the MCA and are currently in effect
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	SEBI (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	The Trade Marks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USD	United States Dollar, the official currency of the United States of America
USA/ U.S.	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Industry Related Terms

Term	Description
ADR	Average daily rate. ADR 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	Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period
CAGR	$CAGR = (Ending\ Value / Beginning\ Value)^{(1/\# \text{ of years})} - 1$
Chain-affiliated hotels	These are hotels that are (i) owned and operated by hotel chains, (ii) operated by hotel chains on behalf of other owners, or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. These include all recognized international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country and domestic hotel chains that are generally considered as operating under common branding. Chain-affiliated hotels do not include other domestic chains which have less than five hotels operating regionally in India, groups that have multiple hotels only within one state, companies that are primarily operating time share facilities and one star hotels
Economy segment	These are typically two star hotels providing functional accommodations and limited services, while being focused on price consciousness
Horwath Report	'Industry Report – Mid Priced Hotel Sector' prepared by Horwath HTL India
LEED	Leadership in Energy and Environmental Design
Luxury and upper upscale segment	Typically refers to top tier hotels. In India, these would generally be classified as five star, deluxe and luxury hotels
MICE	Meetings, Incentives, Conferences and Events
Mid-priced hotel sector	Combined set of 'value-priced' hotels which are classified as upper-midscale, midscale and economy segment hotels
Midscale segment	These are typically three star hotels with distinctly moderate room sizes, quality and pricing, and a lower quality of services, while domestic brand midscale hotels are often more full service in nature, services tend to be more selectively available among international branded midscale hotels
OTA	Online Travel Agent
PAR	Per Available Room
RevPAR	Revenue per available room. RevPAR is calculated by multiplying ADR charged and the average occupancy achieved, for a given period. 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
Upper Midscale segment	These hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upscale hotels. In India, these would generally be classified as four star and sometimes three star hotels
Upscale segment	These are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India, these would generally be classified as four or even five 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, the SEBI Act, the SEBI ICDR Regulations, 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 Other Material Developments**”, “**Government and Other Approvals**” and “**Part B**” of “**Offer Procedure**”, 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.

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 indicated otherwise or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements, included elsewhere in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Fiscal 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 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 impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of our financial information to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounded off adjustments. All decimals have been rounded off to two decimal points. Therefore, in certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. 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 may be rounded-off to such number of decimal points as provided in such respective sources.

Industry and Market Data

We have commissioned a report titled “Industry Report – Mid Priced Hotel Sector” dated September 9, 2017, prepared by Horwath HTL India (“**Horwath Report**”), for the purpose of confirming our understanding of the industry in connection with the Offer. Further, Horwath HTL India has issued the following disclaimer in the Horwath Report:

“Crowe Horwath HTL Consultants Pvt. Ltd. (CHHTL) 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 CHHTL 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 opinions are 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 CHHTL 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 the Industry Report. This Industry Report does not purport to provide all of the information the recipient may require in order to arrive at a decision.

This Industry 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 Lemon Tree Hotels (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 Industry Report.

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

Aside from the above, unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been derived from certain industry sources. Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the GCBRLMs, the BRLM or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. 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 – This Draft Red Herring Prospectus contains information from third party industry sources, including the report commissioned from Horwath HTL India, which has not been independently verified by us. Prospective investors are advised not to place undue reliance on such information.**” on page 32.

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**”, “**USD**” or “**U.S. Dollars**” are to United States Dollars, 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 million or in whole numbers, where a figure is too small to express in million. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million 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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD.

Currency	Exchange rate as on				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 28, 2014*
1 USD	64.74	64.84	66.33	62.59	60.09

Source: RBI Reference Rate

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements include statements which can generally be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*”, “*objective*”, “*plan*”, “*propose*”, “*will continue*”, “*seek to*”, “*will pursue*” or other words or phrases of similar import. Further, statements that describe our strategies, objectives and plans 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 may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses 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, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, including, but not limited to:

- A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition.
- We rely heavily on our existing brands and quality of services at our hotels. Any dilution of our brand reputation or failure of our quality control systems could adversely affect our business, results of operations and financial condition.
- Operational risks are inherent in our business as it includes rendering services at high quality standards at our hotels. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.
- We are exposed to risks associated with the ownership and development of our hotel properties. Delays in the constructions of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition.
- We enter into hotel operation agreements to render operation and marketing services in relation to our managed hotels and are subject to risks related to such hotel operation agreements.
- Certain of our hotels are located on leased or licensed land and we also lease hotels for our business operations. If we are unable to comply with the terms of the leases or license agreements, renew our agreements or enter into new agreements on favorable terms, or at all, our business, results of operations and financial condition may be adversely affected.
- 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 operations and financial condition.
- We have in the past entered into related party transactions which may potentially involve conflicts of interest with the equity shareholders.
- Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations.
- We have a large workforce deployed across our hotels, consequently we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.

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 15, 136 and 210, 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 be materially different 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 statement 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, nor the Selling Shareholders, nor the Syndicate, nor 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, the GCBRLMs and the BRLM 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 of the Selling Shareholders (severally and not jointly) will ensure that Bidders in India are informed of material developments in relation to the statements relating to and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to it or its respective portion of the Offered Shares in the Red Herring Prospectus until the receipt of final listing and trading approvals from the Stock Exchanges.

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 136, 119 and 210, 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 is 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 13.

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 the Restated Consolidated Financial Statements.

Internal Risk Factors

Risks Relating to our Business

- 1. A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition.**

We operate in the mid-priced hotel sector in India, where consumer demand for our services is highly dependent on the general economic performance in India. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in rates realized by owners and operators of hotels through economic cycles, according to the Horwath Report. Variability of results through some of the cycles in the past has been more severe due to changes in the supply of hotel rooms in given markets or in given categories of hotels. A slowdown in economic growth could affect business and personal discretionary spending levels and lead to a decrease in demand for our services for prolonged periods.

Such events could lead to a reduction in our revenue from the hotels we own and operate, our leased hotels as well as the hotels that we manage. Further, we operate in the mid-priced hotel sector alone, and do not have presence in the luxury or upscale sectors. This makes us more susceptible to adverse changes affecting demographic and economic strata of our guests. During periods of such economic contraction, our ongoing investments in developing new properties may not yield results that we anticipated. We cannot assure you that such macroeconomic and other factors, which are beyond our control would not significantly affect demand for our services. Consequently, the occurrence of such events could have an adverse effect on our business, results of operations and financial condition.

- 2. We rely heavily on our existing brands and quality of services at our hotels. Any dilution of our brand reputation or failure of our quality control systems could adversely affect our business, results of operations and financial condition.**

We operate our hotels under the brands ‘Lemon Tree Premier’, ‘Lemon Tree Hotels’ and ‘Redfox Hotels by Lemon Tree Hotels’, which are focused on catering to guests in the upper-midscale, midscale and economy hotel segments, respectively. Our brand and reputation are among our most important assets and we believe our brands help in attracting guests to our hotels. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives is important to increase our revenues, grow our existing market

share and expand into new markets.

The performance and quality of services at our hotels are critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our personnel, the quality of our training program, and our ability to ensure that such personnel adhere to our policies and guidelines. We may not be able to generate the same experience for our guests and meet our standardized parameters in managed hotels due to different aesthetics and feel. Any decrease in the quality of services rendered by us including due to reasons beyond our control, or allegations of defects, even when false, at any of our hotel properties could tarnish the image of our brands, result in negative reviews and feedback from our guests on online travel portals and may cause guests to choose the services of our competitors.

We are also dependent on third party service providers for providing some of the services to our guests such as spas and laundry, among others, and any failure or deficiency on the part of such service providers may adversely effect our reputation and brand perception. Any adverse development or decline in quality involving our brands may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business, results of operations and financial condition.

3. *Operational risks are inherent in our business as it includes rendering services at high quality standards at our hotels. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.*

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. Our hotels are subject to various operating and business risks common to the hotel and hospitality industry, including the impact of security issues on the quantity of travelers and destinations of business travel; the financial condition of third-party property owners of our hotels; and the financial situation of the aviation industry and its impact on the hotels and hospitality industry. Changes in any of these conditions could adversely affect our occupancy rates or room rates or otherwise adversely affect our results of operations and financial condition. For example, the global financial crisis coupled with the terror attacks in Mumbai in November 2008 led to a decline in foreign tourist arrivals in the fiscal year 2009, while foreign tourist arrival growth was slower in the fiscal year 2013 due to security concerns around women's safety, combined with a slowing economy, according to the Horwath Report.

Further, we render hospitality services, including food and beverage, cleaning and housekeeping, and security services, at our hotels. In rendering such services our personnel are required to adhere to regulatory requirements and our 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. For example, we have received two show cause notices in January 2011 and December 2015 from the Food and Drug Administration alleging non-compliance with applicable food products and food additive standards at two of our hotels. For details, see “***Outstanding Litigation and Other Material Developments***” on page 241. Similarly, cleaning and housekeeping services involve the handling of chemicals such as cleaning solutions, which if handled improperly may have an adverse impact on the health of our employees, guests and on the environment. Consequently, our business is associated with certain safety, privacy and public health concerns.

Failure to effectively implement our corporate, crisis response, training and management policies and protocols and to adequately address and manage risks inherent in our business, or a failure to meet the requirements of our guests, or a failure to develop effective risk mitigation measures, could have an adverse effect on our reputation, guest loyalty and consequently, our business, results of operations and financial condition.

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

As of July 31, 2017, we operate a portfolio of 19 owned hotels, three hotels we own but which are located on leased or licensed land, and we intend to add an additional six such hotels to our portfolio together with additional rooms in two of our existing hotels. Development and construction of projects subject us to inherent development risks, including:

- the identification of, conducting diligence on and ascertaining title rights associated with suitable strategically located properties and the acquisition of such properties on favorable terms;
- competition from other hotels and hospitality business related companies that may have more financial

resources than us, which may increase the purchase price of a desired property;

- the resulting lack of capitalization on any investment related to identifying and valuing development opportunities, should we subsequently decide to abandon such opportunities;
- availability, terms and conditions associated with and timely receipt of zoning and other regulatory approvals, the denial of which could delay or prevent placing a hotel into operation;
- 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 our hotels, including their ability to meet construction timing, 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 property during such repair period;
- insufficient cash from operations, or an inability to obtain the necessary debt or equity financing on satisfactory terms, to consummate an acquisition or development project; and
- the ability to achieve an acceptable level of occupancy upon completion of construction.

In the event we experience delays in the delivery of the construction works and design and engineering services for our new buildings or improvements for our existing buildings or if our contractors fail to comply with their obligations under their respective agreements, we will not be able to start operations until completion of the construction of new buildings or improvements on our existing properties. Further, the consents and approvals we may require to develop and construct our hotels may impose conditions with respect to the height, number of rooms, security features and other operational aspects of our hotels. For example, in construction of our hotels near the Indira Gandhi International Airport in New Delhi, we were required to obtain certain security clearances and make changes to our hotel design such as incorporating bullet-proof windows, which resulted in increased costs and delays.

These risks could result in substantial unanticipated delays or expenses as well alteration to the design and operational parameters of our hotels. Under certain circumstances, these risks could prevent completion of development or redevelopment projects once undertaken, resulting in capital expenditure incurred and investments made being written off or making the project less profitable than originally estimated, or not profitable at all, and therefore have an adverse effect on our business, results of operations and financial condition.

5. *We enter into hotel operation agreements to render operation and marketing services in relation to our managed hotels and are subject to risks related to such hotel operation agreements.*

As of July 31, 2017, 13 of our hotels, representing 1,118 rooms, were managed hotels. We enter into hotel operation agreements with owners of hotels to render operation and marketing services. The term of such agreements typically ranges from 10 to 15 years, but the parties are entitled to early termination without cause, subject to payment of certain termination fees. Additionally, our hotel operation agreements grant early termination rights to hotel owners upon the occurrence of certain events, such as our failure to meet specified performance tests based upon the hotel's financial and operational criteria. Our ability to meet such financial and operational criteria is subject to, among other things, risks common to the overall hotel industry, such as an inability to attract customers or face competition effectively, which may be outside our control. We also indemnify hotel owners against non-compliance with safety standards by us, breach of terms of licenses and consents and violation of applicable laws (including labour laws) in operating the hotel.

We do not own the land and building in relation to our managed hotels. In the event that the hotel owners do not have, or fail to maintain good title to the land on which these hotels are situated, or fail to comply with requirements of applicable law with respect to ownership and use of such land, or if such land is, or becomes subject to, any dispute, we may be required to terminate the hotel operation agreement in relation to such hotel. In addition, hotel property owners may also create a charge or collateral on the hotel property under management for the purposes of purchasing or refinancing the purchase of the hotel property. If these property owners are unable to repay or refinance maturing indebtedness, their lenders could declare a default, accelerate the related debt and repossess the property. Any such re-possession could result in the termination of our hotel operation agreements.

In addition, necessary permits, approvals and licenses for our managed hotels are generally obtained in the name of the hotel owner. We rely on the cooperation and assistance of such hotel owners to apply for and renew such permits, approvals and licenses and we cannot assure you that the hotel owners will continue to extend cooperation and assistance in a timely manner, or at all. In the event any of our managed hotels are deemed to be in default of any applicable law on this account, it may have an adverse impact on our business. Such instances may lead to indemnity claims disputes or legal proceedings between us and the hotel owners. For example, Carnation has issued a notice dated February 6, 2017 to the owner of our managed hotel, Red Fox Hotel, Chandigarh, alleging that the owner failed to discharge its obligations under the hotel operation agreement, including to settle an ongoing dispute in relation to the land and to make timely payments for the conversion of land use and under its loan agreements. We cannot assure you that we can compel the hotel owners to act in accordance with the provisions of our hotel operation agreements, or successfully claim indemnity in case of any breach of their obligations to us.

Further, hotel owners are responsible to incur the costs of renovating or developing the hotel property to our standards, consequently the quality of our managed hotels may be diminished by factors beyond our control. While we may terminate hotel operation agreements with hotel owners who do not comply with the terms of our agreements and fulfill their obligations under such agreements, we cannot assure you that we be able to find suitable alternatives in a timely manner, or at all.

We intend to expand our operations in the future through hotel operation agreements. We intend to open sixteen additional managed hotels, representing 1,291 rooms. The success of this strategy will depend on our ability to maintain relationships with hotel owners. Consequently, our inability to maintain, renew and enter into additional hotel operation agreements may have an adverse effect on our business, results of operations and financial condition.

6. *Certain of our hotels are located on leased or licensed land and we also lease hotels for our business operations. If we are unable to comply with the terms of the leases or license agreements, renew our agreements or enter into new agreements on favorable terms, or at all, our business, results of operations and financial condition may be adversely affected.*

As of July 31, 2017, three of our hotels were located on leased or licensed land and we had five leased hotels, representing 965 rooms in aggregate. Further, as of July 31, 2017, we have one owned hotel on licensed land and two leased hotels, under development, representing 613 rooms under development. We cannot assure you that we will be able to fully comply with all the terms of the lease deeds or license agreements 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.

In the event that any lease deed or license agreement for our hotels is terminated due to our non-compliance with its terms, or not renewed, we will be unable to utilize such hotels and we may be unable to benefit from the existing capital expenditure and investments made by us in such hotels. Further, we may be required to expend time and financial resources to locate suitable land or hotels to set up alternate hotels. We may also 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. Further, under certain lease deeds we have agreed to non-compete obligations which prevent us from opening or operating a hotel within a radius of five kilometers from the leased hotel during the term of the lease deed, without the prior written consent of the lessor.

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

7. *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 operations and financial condition.*

Our hotel, Lemon Tree Premier, Delhi Airport, contributed to 12.28%, 12.79% and 8.80% of our total revenue for the fiscal years 2017, 2016 and 2015, respectively, and our hotel, Lemon Tree Premier, Hitec City, Hyderabad contributed to 10.46%, 11.02% and 11.70% of our total revenue for the fiscal years 2017, 2016 and 2015, respectively. Further, for the fiscal years 2017, 2016 and 2015, we derived 67.17%, 67.61% and 62.88% of our total revenue from our hotels located in the NCR, Bangalore and Hyderabad. Any decrease in revenues from these hotels, including due to increased competition or supply, or reduction in demand, in the markets in which these hotels operate, may have an adverse effect on our business, results of operations 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 these regions may adversely affect our business. Changes in the policies of the state or local governments of the regions where these hotels are located, or the Government of India, could require us to incur significant capital expenditure and change our business strategy. For example, our business and results of operations were adversely affected at our hotels in the Hyderabad region, due to political unrest on account of the creation of the state of Telangana, in the fiscal year 2014. According to the Horwath Report, the growth in supply of chain affiliated rooms in Hyderabad declined between the fiscal year 2010 to early 2014 for this reason. 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.

8. *We have in the past entered into related party transactions which may potentially involve conflicts of interest.*

We have entered into various transactions with related parties, including our Promoters and certain members of our Promoter Group. For example, we have availed of services from Spank Management Services Private Limited, our Corporate Promoter, in relation to design, development and supervision of hotel development projects. In aggregate, we have made payments to Spank Management Services Private Limited of ₹ 597.20 million, commencing from 2005. In the fiscal years 2017, 2016 and 2015, we made payments of ₹ 117.65 million, ₹ 37.00 million and ₹ 80.54 million, respectively, to Spank Management Services Private Limited, which comprised 12.85%, 3.16% and 5.66% of our total capital expenses for the respective fiscal years.

Further, we have availed marketing and promotion services from Ms. Sharanita Keswani, a related party. In aggregate, we have made payments to Ms. Sharanita Keswani of ₹ 24.14 million, commencing from 2005. In the fiscal years 2017, 2016 and 2015, we made payments of ₹ 4.22 million, ₹ 4.21 million and ₹ 3.60 million, respectively, to Ms. Sharanita Keswani, which comprised 0.14%, 0.16% and 0.15% of our total expenses for the respective fiscal years. See “**Related Party Transactions**” on page 207.

We have terminated the agreements relating to the services availed by our Company and Meringue Hotels Private Limited from Spank Management Services Private Limited and by our Company from Ms. Sharanita Keswani, effective September 1, 2017. We made payments of ₹ 60.28 million and ₹ 2.10 million, to Spank Management Services Private Limited and Ms. Sharanita Keswani, respectively, prior to the termination of such arrangements during the fiscal year 2018 and do not expect to make any future payments under these agreements.

We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Such related party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company. For details on our related party transactions, see “**Related Party Transactions**” on page 207. We cannot assure you that such related party transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

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

The hotel and hospitality industry in India is subject to seasonal variations. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the guests served. For example, our hotel at Jaipur and resort at Alleppy (Kerala) are seasonal in nature and show higher revenues in winter season. Our revenues are generally higher during the second half of each fiscal year as compared to first half of the fiscal year. Seasonality affects leisure travel and the MICE sector (meetings, incentives, conferences and events). According to the Horwath Report, the winter months are preferred for travel in India, for leisure, MICE events, management or business travel and more recently for destination weddings. Further, foreign leisure travel occurs primarily between October and March and to a lesser extent during the summer and monsoon seasons, as per the Horwath Report. This seasonality can be expected to cause quarterly fluctuations in revenue, profit margins and net earnings. Further, the timing of opening of newly constructed or franchised hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter.

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 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 owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. As a result, in an environment of declining revenues the rate of decline in profits can be higher than the rate of decline in revenues.

As a result of such seasonal fluctuations, our room rates, sales and results of operations of a given half of the fiscal year may not be reliable indicators of the sales or results of operations of the other half of the fiscal year or of our future performance.

10. *We have a large workforce deployed across our hotels, consequently we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.*

We have a large workforce deployed across India. As of July 31, 2017, we had 3,070 employees across our operations. In addition, we utilize 554 personnel on a contract basis at our owned and leased hotels and 1,048 personnel who render services at our managed hotels, who are employees of the respective hotel owners, as of July 31, 2017. The risks associated with the utilization of a large workforce include possible claims relating to:

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

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. We may also be affected in our operations 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 reputation, business, results of operations and financial condition.

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

Our operations are dependent on our ability to attract and retain qualified personnel since we aim to provide our guests with high levels of service. 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 attrition at a rate of 43.4%, 47.1% and 45.1% in relation to our employees for the fiscal years 2017, 2016 and 2015, respectively. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

Further, our performance depends largely on the efforts and abilities of our senior management, including, Mr. Patanjali Govind Keswani, our Chairman and Managing Director, Mr. Rattan Keswani, our Deputy Managing Director, Mr. Vikramjit Singh our President, Mr. Davander Tomar, Executive Vice President-Corporate Affairs, Mr. Jagdish Kumar Chawla, Executive Vice President-Projects and Engineering Services and Mr. Kapil Sharma, Chief Financial Officer. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees 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.

12. ***We, as well as our Subsidiaries, Group Companies and certain of our Directors are involved in certain legal proceedings. Any adverse outcome in any of these proceedings may adversely affect our profitability, reputation, business, financial condition and results of operations.***

In the ordinary course of our business, our Company, Subsidiaries, Group Companies, Directors and Promoters are involved in certain legal proceedings, which are pending at varying levels of adjudication at different fora. 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, Subsidiaries, Group Companies, Directors and Promoters. All pending litigation involving our Company, Promoters, Directors, Subsidiaries and Group Companies, other than criminal proceedings, statutory or regulatory actions and taxation matters, are considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 10 million or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

S. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Material civil litigation	Aggregate amount involved* (₹ in million)
1.	Company					
	By the Company	6	-	-	2	530.04
	Against the Company	1	14	6	Nil	116.86
2.	Subsidiaries					
	By the Subsidiaries:	Nil	-	-	3	28.38
	Against the Subsidiaries:	Nil	14	11	1	36.26
3.	Group Companies					
	By the Group Companies	Nil	-	-	Nil	Nil
	Against the Group Companies	Nil	2	Nil	Nil	61.72
4.	Promoters					
	By the Promoters	Nil	-	-	Nil	Nil
	Against the Promoters	Nil	Nil	Nil	Nil	Nil
5.	Directors (other than Promoter)					
	By the Directors	Nil	-	-	Nil	Nil
	Against the Directors	2	2	2	3	108.28
	Total	9	32	19	9	881.54

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, results of operations and financial condition. For further details, in relation to the proceedings involving our Company, Subsidiaries, Group Companies, Promoters and Directors, see "***Outstanding Litigation and Other Material Developments***" on page 241.

We cannot assure you that any of the outstanding material litigation matters will be settled in our favour or in favour of our Subsidiaries Group Companies or Directors, as applicable, or that no additional liability will arise out of these proceedings.

13. ***We are subject to extensive government regulation with respect to safety, health, environmental and labour laws. Any non-compliance with, or changes in, regulations 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 in the jurisdictions in which we operate, which impose controls on our operations. Any accidents at our hotel properties 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 subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our hotel properties.

In connection with our ownership and management 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.

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. For example, in April 2017, the National Green Tribunal, New Delhi issued a show cause notice to various establishments in Delhi, including our subsidiary, Canary for our Lemon Tree Hotel, East Delhi Mall, for alleged violation of rules in relation to transportation, handling and disposal of solid waste. For details, see ***“Outstanding Litigation and Other Material Developments”*** on page 241.

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 that we make additional capital expenditures, incur 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 affected our operations and the service of wine and liquor at one of our hotels. However, the Supreme Court of India clarified in August 2017 that licensed establishments within municipal limits are exempted from this restriction, however, we are awaiting formal notification from the respective state authority to commence sale of liquor at the hotel. Further, complying with, and changes in, laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wages and maximum working hours, overtime, working conditions, ring and termination of employees, contract labour and work permits and maintenance of regulatory/ statutory records and making periodic payments. 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. Any losses that we incur in this regard could have an adverse effect on our reputation, business, results of operations and financial condition.

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

The expected month of opening for our hotels under development, comprising six owned hotels or hotels built on leased or licensed land and expansion in two existing hotels, representing 1,317 rooms, 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 rooms, size, acreage and square footage actually developed may differ, based on various factors such as market conditions, modifications of engineering or design specifications, stipulations in the consents and approvals we receive and any inability to obtain required consents and approvals. For example, number of rooms changed in our existing hotels at Chennai, Goa, Electronic City Bangalore, Gachi Bowli, among others, as compared to initial planned inventory. Investors are cautioned to not place undue reliance on these numbers in their evaluation of our business, prospects and results of operation. See also ***“Forward Looking Statements”*** on page 13.

15. *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 we compete with large multinational and Indian companies, as well as regional and local companies in each of the regions that we operate. Some of our competitors may be larger than us or develop alliances to compete against us, have more financial and other resources or have greater brand recognition than ours. Some of the major international hotel chains may have certain competitive advantages over us due to their global spread of operations, greater brand recognition and greater marketing and distribution networks. We cannot assure you that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

Our success is largely dependent upon our ability to compete in areas such as room rates, quality of accommodation, brand recognition, service level, location of the property and the quality and scope of other amenities, including food and beverage facilities. In addition, our competitors may significantly increase their advertising expenses to promote

their hotels, which may require us to similarly increase our advertising and marketing expenses and change our pricing strategies, which may have an adverse effect on our business, results of operations and financial condition. 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.

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

We are committed to ensure the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cyber crime, pandemics, fire and day-to-day accidents, incidents, health crises of guests and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us and our brands to significant reputational damage.

Further, the occurrence of events such as accidents or any criminal activity at any of our hotel properties may subject us to legal proceedings resulting in adverse publicity and cause a loss of consumer confidence in our business. For example, our hotel in Indore experienced an incident where a guest had died, in August 2016, and a police complaint was lodged against certain visitors who had accompanied the guest. Such events occurring at any one of our hotel properties may also have an adverse effect on our reputation and may also adversely affect operations of our other properties.

17. *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. Furthermore, title to land in India is often fragmented, and in many cases, land may have multiple owners.

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 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. For instance, a certain portion of the land on which our owned hotel, Red Fox, Jaipur, is situated, is currently the subject of a dispute on title with a third party. For details, see *"Outstanding Litigation and Other Material Developments"* on page 241. 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 on the properties over which our hotels are located from time to time, we may not be able to assess or identify all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights.

18. *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 our competitors are able to negotiate more favorable terms with such online travel agents and intermediaries, our business and results of*

operations may be adversely affected.

A portion of our hotel bookings originate from large multinational, regional and local online travel agents and intermediaries, such as online aggregators, with whom we have contractual arrangements and to whom we pay commissions. Revenues generated by bookings made through online travel agents and intermediaries accounted for 20.22%, 15.34% and 8.58% of our revenue from room rentals for fiscal years 2017, 2016 and 2015, respectively.

These third-parties, including online travel agents, 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 these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison.

In the event these companies 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 favorable contract terms. Negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors. Further, our competitors may be able to negotiate better or more favourable terms with such online travel agents and intermediaries, impacting our bookings from these channels, which in turn may adversely affect our business and results of operations.

19. *We have substantial indebtedness which requires significant cash flows to service, and limits our ability to operate freely. We will continue to have substantial indebtedness and debt service obligations following the Offer.*

As on July 31, 2017, we had outstanding secured borrowings of ₹ 8,420.85 million and unsecured borrowings of ₹ 253.00 million on a consolidated basis. 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 other factors which may adversely affect our operations;
- limiting our ability to pursue growth plans;
- requiring 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;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage to any of our competitors that have less debt;
- increasing our interest expenditure;
- requiring us to meet additional financial covenants; and
- limiting our ability to raise additional funds or refinance existing indebtedness.

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. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms, or at all.

For more information regarding our indebtedness, see the Section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness*” and “*Financial Indebtedness*” on pages 228 and 239, respectively, of the Draft Red Herring Prospectus.

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

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. Our Company and/or our Subsidiaries, as applicable, are required to obtain prior approval from and provide prior information our lenders for, among other things:

- undertaking any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise or effecting any scheme of amalgamation or reconstruction;
- undertaking any new project or implementing any scheme of expansion or acquiring fixed assets or carrying out any change of business or undertaking any allied line of business;
- investing, lending, extending advances or placing deposits with any other concern;
- raising terms loans or debentures or incurring major capital expenditure or making any investments either directly or through our Subsidiaries;
- entering into borrowing arrangements with any other bank, financial institution or company;
- selling, assigning, mortgaging or disposing off any fixed assets charged to a lender;
- undertaking guarantee obligations or providing any collateral on behalf of any other company, including group and subsidiary companies;
- declaring dividend on equity shares;
- changing the ownership, control or management structure of our Company or effecting any material changes in the management of the business or reducing the shareholding of our Promoters, Promoter Group or Directors;
- changing the composition of our Board of Directors; and
- making amendments to the Memorandum of Association and Articles of Association of our Company and our Subsidiaries.

In relation to loan facilities availed of by our subsidiaries, our Company has provided corporate guarantees assuring repayment of such loan facilities. In the event any Subsidiary or any other guarantor under the loan facilities commits a default, or fails to meet their obligations under the facility agreements, there is a risk that the lender may enforce its rights against our Company or our subsidiaries. See “**Financial Indebtedness**” on page 239 for further details. In the event that any lender seeks the accelerated repayment of any such loan or seeks to, and is successful in, enforcing any other rights against us, including enforcing the corporate guarantees and pledge on shares of our Subsidiaries, there could be an adverse effect on our business, financial condition and results of operations.

In addition, certain terms of our borrowings require us to maintain financial ratios, such as total debt to net worth, total debt to EBITDA and debt service coverage ratios, which are tested periodically, including on a quarterly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. For example, our Company was in breach of covenants to maintain certain debt service coverage ratios and EBITDA related ratios, under a debt facility availed from RBL Bank Limited, for which we have received a letter of condonation dated June 14, 2017.

Any future failure to satisfactorily comply with any condition or covenant under our financing agreements (including technical defaults) may lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, and enforcement of events of default as well as cross-defaults under certain of our other financing agreements, any of which may adversely affect our business, financial condition and results of operations.

Further, we have granted security interests over certain of our assets, including a majority of our owned hotels 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 our hotels, which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, see “**Financial Indebtedness**” on page 239.

21. All 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 all borrowings availed by us, aggregating to ₹ 8,673.85 million as of July 31, 2017, 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, 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 239 for a description of the range of interest typically payable under our financing agreements.

22. *We conduct certain of our operations through Subsidiaries in which certain investors have minority equity interest. Any disagreement with such minority investors could adversely affect our business.*

Certain operational hotels we own, comprising 11 hotels accounting for 1,490 rooms as of July 31, 2017, are held through our Subsidiaries, Fleur, Begonia and Nightingale, in which our Company has majority equity interest of 57.98%, 74.11% and 57.53%, respectively, and operational control, while APG has the remaining minority interest of 42.02%, 25.89% and 42.47%, respectively. These subsidiaries collectively accounted for 44.93%, 44.25% and 36.32% of our total revenue for fiscal years 2017, 2016 and 2015, respectively. The agreements entered into by our Company with APG, provide certain rights to APG, including in relation to reorganization of the shareholding of Begonia and Nightingale, which may result in a reduction of our Company's shareholding in these Subsidiaries. These agreements also provide us with significant control over operational aspects and we are able to closely monitor the management of the hotels held through these Subsidiaries. See "**History and Certain Corporate Matters – Material Agreements**" on page 171.

We intend to continue using this joint-development strategy to generate capital from select investors, including by transferring hotels owned by our Company to subsidiaries in order to raise additional equity financing in such subsidiaries. Further, we own 100% equity interest in Carnation, of which 25.1% has been agreed to be transferred to Mr. Rattan Keswani, our Deputy Managing Director, at book value or face value, whichever is higher, on or before March 31, 2019, in accordance with a resolution passed by our Board of Directors on August 11, 2017.

While we have a controlling interest in most of these Subsidiaries, our ability to exercise management control through shareholder agreements and receive revenues from these subsidiaries may depend upon receiving the consent or co-operation of minority investors and upon the underlying terms of our agreement with them. Our operations may be affected if disagreements develop with the minority investors. Further, while we have entered into shareholder agreements with these Subsidiaries, which provide the responsibilities and obligations of the shareholders, minority investors may not comply with their obligations under the respective agreements, which may result in legal proceedings, divert the attention of our management and adversely affect our business.

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

We are subject to risks that generally relate to real estate assets because of the hotels we own and lease. 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 neighborhoods 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 advantageous 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 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.

24. *Our operations entail certain fixed costs and recurring costs, and our inability to reduce such costs during periods of low demand for our services 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 properties, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses. Further, the lease deeds we enter into in relation to our leased hotels, typically include agreed periodic increments at fixed rates. We may also have to incur costs towards periodic re-designing, re-structuring, refurbishing or repair of defects at our hotels. The hotel industry experiences periodic changes in demand and supply, which we may not be able to

predict accurately. 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 properties may be subject to an increase in operating and other expenses in the event of increases in property and other tax rates, 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.

25. *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 seek to diversify our geographical footprint, to reduce our exposure to local, seasonal and cyclical fluctuations and to access a more diversified guest base across geographies. We intend to enter new markets such as Mumbai and Kolkata, and other cities in India, in order to expand our geographical footprint. However, we cannot assure you that we will be able to grow our business in these markets. Inability to access infrastructure, logistical challenges in these regions and our relative inexperience with certain newer markets, may prevent us from expanding our presence in these regions.

Further, we may be unable to compete effectively with the services of our competitors who are already established in these regions. Our expansion plans may also result in increased advertising and brand building expenditure and challenges caused by distance, language and cultural differences. Also, demand for our services may not grow as anticipated in certain newer markets. If we are unable to grow our business in such markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

26. *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 five years and we have significantly expanded our operations. The aggregate number of hotel properties owned, operated or managed by us increased from 18 hotels as of March 31, 2013 to 36 hotels as of March 31, 2017. Our total incomes increased at a CAGR of 17.76% from the fiscal year 2013 to the fiscal year 2017. 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.

We intend to continue expansion of our portfolio, including into the leisure hotel sector and to increase our share of bookings through online booking channels. Our inability to execute our growth strategy in a timely manner, or within budget estimates could have an adverse effect on our business, results of operations and financial condition. Our business is capital intensive and we may not be able to arrange suitable financing to meet our capital needs at acceptable terms, or at all. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our guests' needs, hire and retain new employees or operate our business effectively. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

27. *Demand for rooms in our hotels may be adversely affected by the increased use of business-related technology or change in preference of our guests.*

The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without traveling to a centralized meeting location, such as our hotels. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms may decrease from business travelers. Similarly, changes in domestic tourism and preferences of our guests due to evolving cost of travel, spending habits and consumption patterns may lead to a change in the perceived attractiveness of our hotels, services, the locations at which are hotels are situated. Such changes may impact the demand for our hotel rooms from domestic tourists and guests at our leisure hotels, and our business may be adversely affected.

28. *Our business derives a significant portion of its 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.*

Our hotel operations are dependent on our corporate customers for a significant portion of revenues. For fiscal years 2017, 2016 and 2015, our corporate customers contributed 56.92%, 61.79% and 66.17% of our revenue from room rentals, respectively. Any reduction in growth or a slow-down in the business of our customers in India, could result in a reduction of their requirement for our services, and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, and thus our results of operations, financial condition and cash flows. Further, corporate customers may be able to negotiate better or more favorable terms or discounts compared to bookings made through our website or online travel agents. We cannot assure you that we will be able to maintain historic levels of business from such significant customers in the future.

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

We have obtained registrations for a number of trademarks in India, including the our key trademarks, ‘The Lemon Tree Hotel’, ‘The Red Fox Hotel’ and ‘The Citrus Café’. For details, see “**Government and Other Approvals**” on page 253. We believe that several of our trademarks have significant brand recognition in their respective areas, therefore, our trademarks are significant to our business and operations.

The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. Further, we believe that trademarks and service marks are important assets to our business. We have applied for, but not yet obtained registration with respect to certain trademarks. For instance, we are yet to obtain registration for certain trademarks that we have applied for, including “The Red Fox Hotel”, “Red Fox” (label), “Lemon Tree Smiles” and “Grey Fox”. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. See “**Government and Other Approvals**” on page 253.

If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. 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, cash flows and financial condition.

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, cash flows and financial condition.

30. *We are exposed to the risk of events that adversely affect domestic or international travel, such as epidemics and terrorism or war.*

The room rates and occupancy levels of the hotels in our portfolio could be adversely affected by events that reduce domestic or international travel, such as epidemics and spread of infectious diseases or threats thereof, actual or threatened acts of terrorism or war, political or civil unrest, travel-related accidents or industrial action, natural disasters, or other local factors impacting individual hotels, as well as increased transportation and fuel costs. A decrease in the demand for hotel rooms as a result of such events may have an adverse impact on our operations and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss and consequently affect our reputation.

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

We have information technology systems that support our business processes, including our reservation system, revenue management solutions and for other front and back office operations. Our IT systems support various functions such as material management, point-of-sale, payroll processing, business intelligence, revenue

management as well as interface with third parties such as a reservation call-center. Through our IT system, reservation requests are collected in our central reservation system and communicated to individual hotels. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse affect to our information technology systems.

In addition, our systems and proprietary 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, unless certain ransom money is paid. If such unauthorized use of our systems were to occur, data related to our guests and other proprietary information could be compromised. 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 effect our reputation, brand perception and results of operations. We are also in the process of implementing enterprise planning solutions, commencing October 2017 in a phased manner, through third party vendors and implementation partners, any failure or deficiency in implementation in such solutions may have adverse implications on our business operations.

32. ***In the event we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, including in respect of which we have made relevant applications that are currently pending, including due to any default on the part of the owners of the properties we lease and manage, 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 properties including, without limitation, sanction of building plans, occupancy certificates, trade licenses, 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 253.

While we have obtained a number of approvals required for our operations, certain approvals for which we have submitted applications are currently pending. We are also in the process of applying for the renewal of certain approvals that have expired. 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. For further details on pending approvals, see “**Government and Other Approvals**” on page 253.

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. In addition, in relation to our leased and managed hotels, we require the co-operation and assistance of the owners of such hotels in order to apply for and renew such approvals and permits in a timely manner. Any failure on the part of the owners of our leased or managed hotels to render cooperation and undertake the necessary actions to obtain and renew such approvals, may adversely impact the operations at these hotels.

Further, the approvals required by us are subject to numerous conditions and we cannot assure you that these would 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.

33. ***If we pursue a strategy of expansion through acquisition of hotels or properties, we may not be able to successfully consummate favorable transactions or such transactions may not yield intended results or achieve expected returns and other benefits.***

From time to time, we may 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 a transaction on terms that are favourable to us, or achieve expected returns and other benefits. Hotels or properties acquired by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our acquisitions may entail financial and operational risks, including diversion of management attention from its existing core businesses. Future acquisitions could also result in the incurrence of debt, contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition and results of operations.

34. ***If the brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.***

We operate under three brands covering the entire mid-priced hotel sector in India. Our Lemon Tree Premier brand is targeted at upper-midscale guests; our Lemon Tree Hotels brand caters to midscale business and leisure guests; and our Red Fox Hotel by Lemon Tree Hotels brand caters to the economy hotel segment. We may launch additional brands in the future. However, we cannot assure you that any new hotel brands launched by us will be accepted by hotel owners or guests, or that we will be able to recover costs we incurred in developing such brands, or that our new brands will be successful. If the brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.

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

Our strategy to grow our business and maintain our market share may require us to raise additional funds or refinance our existing debt for our working capital or long term loans. We cannot assure you that such funds will be available on favorable terms or at all. Additional debt financing may increase our financing costs. 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 favorable terms or at all as and when required, our business, financial condition, results of operations and prospects could be adversely affected.

36. ***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.***

As of July 31, 2017, we had 3,070 employees across our operations. In addition to our 3,070 full-time employees, we utilized 554 personnel engaged on a contractual basis at our owned or leased hotels and 1,048 personnel who rendered services at our managed hotels, who are employees of the respective hotel owners, as of July 31, 2017. 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 business operations. While our employees are not currently unionized, other than certain employees in relation to our hotels at Pune, Aurangabad and Alleppey, we cannot assure you that our employees will not unionize in the future. 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. We are also subject to, and may continue to contest regulatory claims alleging defaults in relation to employee wage payments and contributions. For instance, we are currently contesting, in the Employees' Provident Fund Appellate Tribunal, (a) an order from the Assistant Provident Fund Commissioner, Chennai to pay ₹ 2.41 million, and (b) an order from Assistant Provident Fund Commissioner, Bangalore, to pay ₹ 10.76 million, in each case, in lieu of default of provident fund dues. Some of our Subsidiaries are also contesting disputed provident fund claims. See ***"Outstanding Litigation and Other Material Developments"*** on page 241. 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.

37. ***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 July 31, 2017, we utilized 554 personnel engaged on a contractual basis. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. 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 amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

38. ***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 operational, owned and leased or licensed, properties are insured with independent third parties in respect of buildings and equipment covering losses due to fire, burglary, tenant liability, money insurance and allied perils. We also maintain directors' and officers' liability insurance for our management personnel and accident group insurance 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 honored 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, cash flows and financial performance could be adversely affected.

39. *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. Although we have diesel generators to meet exigencies at all of our hotels, we cannot assure you that our hotels will have sufficient power during power failures. For example the state electricity board has not yet been able to provide electricity supply at our Lemon Tree Hotel and Red Fox Hotel at Sector 60, Gurugram and we are constrained to use diesel generators to meet the power requirements at such hotels. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

40. *Certain audit reports on our financial statements for the last five Fiscals contain certain qualifications and matters of emphasis.*

Certain audit reports on our financial statements for the last five Fiscals contain certain qualifications and matters of emphasis. The auditors included a matter of emphasis in their opinion on the financial statements for the year ended March 31, 2013 on the adjustment of a difference of ₹ 308.61 million against its share premium account (through a scheme of amalgamation sanctioned by the High Court of Delhi), stating that such treatment, while made pursuant to such scheme, differed from that prescribed under accounting standards. Further, the auditors qualified their opinion on the financial statements for the years ended March 31, 2015, 2014 and 2013 on account of legal proceedings initiated by our Company against a developer for recovery of an advance of ₹ 351.94 million that were pending. In addition, our auditors have also included certain qualifications in the annexures to their audit report issued under the Companies (Auditor's Report) Order, 2015 on our standalone and consolidated financial statements for Fiscals 2017, 2016, 2015, 2014 and 2013. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditor's Reservations/ Qualifications/ Adverse Remarks***" on page 231.

We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations which affect our results of operations in such future periods.

41. *We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our financial condition.*

As of March 31, 2017, in accordance with IND AS 37, we had certain contingent liabilities on a consolidated basis that have not been provided for in our financial statements. For details, see "***Financial Statements – Note 34 – Commitments and Contingencies –c. Contingent liabilities***" on page F-190. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

42. 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 cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see “**Dividend Policy**” on page 208.

43. This Draft Red Herring Prospectus contains information from third party industry sources, including the report commissioned from Horwath HTL India, which has not been independently 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 Horwath Report prepared by Horwath HTL India, pursuant to an engagement with our Company. We commissioned the Horwath Report for the purpose of confirming our understanding on the Indian hospitality business and the future outlook of the industry and the mid-priced hotel sector in India. Neither we, nor the Promoters, nor Directors, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the Horwath Report and other industry sources quoted in this Draft Red Herring Prospectus, and we cannot guarantee the accuracy, adequacy or completeness of any such information. Moreover, the industry sources including the Horwath Report contains certain industry and market data, based on certain assumptions.

Further, the reports use certain methodologies for market sizing and forecasting. We have also used certain information from a report titled “India – 2016 Hotel Development Cost Survey” dated November 3, 2016, published by HVS. The data set, methodology and assumptions utilized by HVS are not comparable with the Horwath Report. 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 Horwath Report or the HVS Survey 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 Horwath Report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions. Also, see “**Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation**” and “**Industry Overview**” on pages 11 and 119, respectively.

44. Our Company and certain of our Subsidiaries and Group Companies have incurred losses during recent fiscal years.

We have incurred restated loss (on a consolidated basis) of ₹ 71.70 million, ₹ 297.99 million and ₹ 632.35 million in fiscal years 2017, 2016 and 2015, respectively. Our Company (on an unconsolidated basis) has incurred restated loss of ₹ 163.36 million and ₹ 10.40 million in fiscal years 2016 and 2015, respectively. Further, certain of our Subsidiaries and Group Companies have incurred losses in the recent fiscal years. Provided below are details of losses suffered by our Subsidiaries and Group Companies during the last three audited Fiscals:

(₹ in million)			
Name of Subsidiary	Fiscal 2017	Fiscal 2016	Fiscal 2015
Bandhav Resorts Private Limited	(5.16)	-	-
Begonia Hotels Private Limited	36.51	23.05	(0.75)
Canary Hotels Private Limited	(22.50)	(24.11)	(28.35)
Carnation Hotels Private Limited	(6.67)	15.74	6.92
Dandelion Hotels Private Limited	4.41	0.46	(0.02)
Grey Fox Project Management Company Private Limited	(3.27)	4.70	5.61
Hyacinth Hotels Private Limited	(49.69)	(51.95)	(186.39)
Inovia Hotels and Resorts Limited	(7.92)	10.87	(23.70)
IORA Hotels Private Limited	(0.04)	2.68	(0.60)
Lemon Tree Hotel Company Private Limited	(0.02)	(0.04)	(0.01)

Name of Subsidiary	Fiscal 2017	Fiscal 2016	Fiscal 2015
Manakin Resorts Private Limited	4.48	(1.49)	(8.83)
Meringue Hotels Private Limited	(0.59)	(1.23)	(0.05)
Nightingale Hotels Private Limited	(18.50)	(47.75)	(33.10)
Ophrys Hotels Private Limited	(0.04)	0.00	(0.03)
Oriole Dr. Fresh Hotels Private Limited	(4.53)	3.50	(0.81)
Pelican Facilities Management Private Limited	(0.02)	(0.02)	(0.01)
PSK Resorts and Hotels Private Limited	(0.11)	(0.01)	(0.07)
Red Fox Hotel Company Private Limited	(0.03)	0.01	(0.01)
Sukhsagar Complexes Private Limited	(15.50)	(23.67)	(43.86)
Valerian Management Services Private Limited	(2.40)	(3.70)	(6.57)
Name of Group Company	Fiscal 2016	Fiscal 2015	Fiscal 2014
Garnet Hotels Private Limited	(0.04)	(0.02)	-
HeadStart Institute Private Limited	(0.57)	2.64	(0.08)
Pony Tale Hotels Private Limited	(0.03)	(0.02)	(0.01)
Sparrow Buildwell Private Limited	(0.02)	(0.02)	(0.02)

We cannot assure you that our Company or our Subsidiaries or Group Companies will not make losses in future.

45. ***We have experienced negative cash flows in relation to our operating activities and investing activities in the last five fiscal years. Any negative cash flows in the future would adversely affect our results of operations and financial condition.***

We had a negative cash flow from operating activities of ₹ 509.61 million on a consolidated basis for the fiscal year 2015. Further, we had a negative cash flow from investing activities of ₹ 2,289.93 million, ₹ 1,027.55 million, ₹ 1,501.07 million, ₹ 1,051.14 million and ₹ 3,758.36 million on a consolidated basis, for the fiscal years 2017, 2016, 2015, 2014 and 2013, respectively. 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 Discussion and Analysis of Financial Condition and Results of Operations**” on pages 209 and 210, respectively.

46. ***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**” on page 71.

47. ***Certain of our Group Companies and members of our Promoter Group are engaged, or are authorized by their constitutional documents to engage, in business activities which are similar to those undertaken by our Company and Subsidiaries, which may result in conflicts of interest.***

Certain of our Group Companies and companies forming part of our Promoter Group, are authorised under their respective memorandums of association to carry on the business of owning, operating or managing hotels and resorts. For details, see “**Our Promoter, Promoter Group and Group Companies – Common Pursuits of our Promoters, members of Promoter Group and Group Companies**” on page 201.

We cannot assure you that our Group Companies or members of our Promoter Group, will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business and results of operations. For further details, see “**Our Promoters, Promoter Group and Group Companies – Common Pursuits of our Promoters, members of Promoter Group and Group Companies**” on page 201.

48. ***Our Promoters and certain of our Directors and key managerial personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters and 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 Promoters 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 (including Mr. Jagdish Kumar Chawla, a key managerial personnel who held 25.10% shares in Grey Fox (a Subsidiary) prior to its transfer to our company and Mr. Rattan Keswani, our deputy managing Director, to whom our Company will transfer 25.10% shares of Carnation (a Subsidiary), on or before March 31, 2019), as well as to the extent of any dividends, bonuses or other distributions on such shareholding. Further, certain of our key managerial personnel may also be regarded as interested to the extent of employee stock options granted by our Company and which may be granted to them from time to time pursuant to the ESOP – 2006, as applicable. Our Promoter, SMSPL, was also interested to the extent of certain business related agreements entered into with our Company and one of our Subsidiaries, Meringue which have been terminated with effect from September 1, 2017. For details, see **“Our Promoter, Promoter Group and Group Companies – Interests of our Promoters and Related Party Transactions”** on page 200.

We cannot assure you that our Promoters, Directors and our key management personnel, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see **“Our Promoters, Promoter Group and Group Companies – Interests of our Promoters and Related Party Transactions”**, **“Our Management – Interest of Directors”** and **“Our Management – Key Managerial Personnel”** on pages 200, 188 and 196, respectively.

49. Our Company will not receive any proceeds from the Offer.

The Offer comprises of an offer for sale of up to 195,797,000 Equity Shares by the Selling Shareholders. The proceeds from the Offer (net of applicable expenses) will be paid to Selling Shareholders, in proportion of the respective portion of the Offered Shares transferred pursuant to the Offer, and our Company will not receive any such proceeds.

Although no part of the proceeds will be paid to any of our Promoters, members of our Promoter Group, Group Companies, associates or key managerial personnel, payments will be made to RKJ HUF in which one of our Directors, Mr. Ravi Kant Jaipuria is the karta.

50. Certain of our Subsidiaries, Promoters, members of our Promoter Group and Group Companies have availed or may avail certain loans that are recallable by lenders, at any time.

Certain of our Subsidiaries, Promoters, members of our Promoter Group and Group Companies have availed or may avail borrowings that are repayable on demand by the relevant lenders. Such loans may be recalled by the relevant lenders on occurrence of certain events. Any such unexpected demand for repayment may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

51. Some of our corporate records are not traceable.

Our Company does not have access to certain filings pertaining to certain historical legal and secretarial information in relation to certain disclosures in this Draft Red Herring Prospectus. These include the following RoC forms: (i) Form 32 for the regularization of the appointment of Mr. Gopal Sitaram Jiwarajka and Mr. Ravi Kant Jaipuria on September 30, 2004; (ii) Form 2 for the allotment of 100 Equity Shares to Mr. Peeyush Aggarwal on December 23, 2003; (iii) Forms 5 and 23 for the amendment of the MoA on December 13, 2002; (iv) Form 5 and 23 for the amendment of the MoA on January 17, 2003; (v) Forms 5 and 23 for the amendment of the MoA on January 7, 2004; and (vi) Form 18 noting the first establishment of the registered office of our Company.

While information in relation to such appointment, allotment and amendments have been disclosed under **“Our Management”**, **“Capital Structure”** and **“History and Certain Corporate Matters”** in this Draft Red Herring Prospectus, based on information in our Board and shareholders’ resolutions and statutory registers, we may not be able to furnish any further document evidencing such appointments, allotment and amendments. We cannot further assure you that we will be able to locate these records, or not be penalized by the relevant supervisory and regulatory authorities in India for not maintaining such RoC forms.

External Risk Factors

Risks Related to India

52. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. 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, cash flows or financial condition. 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 neighboring 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.

53. *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 in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate 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. 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.

54. *Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP.*

Our Restated Consolidated Financial Information as of and for the fiscal years ended March 31, 2013, 2014, 2015, 2016 and 2017 included in this Draft Red Herring Prospectus has been prepared under Ind AS. The Restated Consolidated Financial Information has been compiled from the audited consolidated financial statements of our Company as of and for the fiscal years 2017 prepared under Ind AS and as of and for the fiscal years 2016, 2015, 2014 and 2013 prepared under the previous generally accepted accounting principles followed in India (“**Indian GAAP**”). Our date of transition to Ind AS was April 1, 2015 and the audited consolidated financial statements for the fiscal year ended March 31, 2017 were the first to be prepared in accordance with Ind AS. The restated consolidated financial statements for the fiscal years 2015, 2014 and 2013 included in this Draft Red Herring Prospectus have been prepared under Ind AS on a proforma basis.

Except as otherwise provided in the Restated Consolidated Financial Information with respect to Indian GAAP, no attempt has been made to reconcile any information given in this Draft Red Herring Prospectus to any other accounting principles or to base the information on any other accounting standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS.

55. *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. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering

regulations of the new tax regime and availability of input tax credit (“ITC”).

Further, the General Anti-Avoidance Rules (“GAAR”) became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefits to an arrangement, among other consequences. In the absence of any such precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. 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.

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

Our Company is incorporated under the laws of India. Our Company’s assets are primarily located in India and a majority of our Company’s Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

57. *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.

58. *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 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. 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.

59. *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.

Risks Related to the Offer

60. ***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 is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our 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.

61. ***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.

62. ***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 and the Maplewood in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under “***Basis for Offer Price***” on page 114 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. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

63. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the 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. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “***Capital Structure***” on page 71, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

64. ***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 preemptive 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.

65. 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 can revise their Bids during the Bid/Offer Period and 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, 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.

Prominent Notes:

- Initial public offering of up to 195,797,000 Equity Shares of our Company, for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million through an Offer for Sale by the Selling Shareholders including up to 94,500,053 Equity Shares aggregating to ₹ [●] million by Maplewood, up to 25,320,584 Equity Shares aggregating to ₹ [●] million by RJ Corp, up to 13,999,416 Equity Shares aggregating to ₹ [●] million by RKJ HUF, up to 10,317,600 Equity Shares aggregating to ₹ [●] million by Citron, up to 6,986,180 Equity Shares aggregating to ₹ [●] million by Whispering Resorts, up to 883,440 Equity Shares aggregating to ₹ [●] million by Swift Builders, up to 23,649,816 Equity Shares aggregating to ₹ [●] million by Five Star, up to 19,159,911 Equity Shares aggregating to ₹ [●] million by Palms International, up to 480,000 Equity Shares aggregating to ₹ [●] million by Mr. Satish Chander Kohli and up to 500,000 Equity Shares aggregating to ₹ [●] million by Mr. Raj Pal Gandhi. The Offer shall constitute up to 24.90% of the post-Offer paid-up Equity Share capital of our Company. In terms of Rule 19(2)(b), this is an Offer for at least [●]% of the post-Offer paid-up Equity Share capital of our Company.
- Our net worth as on March 31, 2017, as per our Restated Consolidated Financial Statements and Restated Unconsolidated Financial Statements included in this Draft Red Herring Prospectus is ₹ 12,269.34 million and ₹ 9,272.30 million, respectively. See "**Financial Statements**" on page 209.
- The net asset value per Equity Share as on March 31, 2017, as per our Restated Consolidated Financial Statements and Restated Unconsolidated Financial Statements included in this Draft Red Herring Prospectus is ₹ 10.36 and ₹ 11.88, respectively. See "**Financial Statements**" on page 209.
- The average cost of acquisition per Equity Share by our Promoters as on the date of this Draft Red Herring Prospectus is:

Name of Promoter	Average cost of acquisition per Equity Share (₹)*
Mr. Patanjali Govind Keswani	19.72
SMSPL	12.71

*As certified by O.P. Bagla & Co., Chartered Accountants by their certificate dated September 19, 2017.

For further details, see "**Capital Structure**" on page 71.

- The average cost of acquisition per Equity Share by our Selling Shareholders as on date of this Draft Red Herring Prospectus is:

Name of Selling Shareholder	Average cost of acquisition per Equity Share (₹)*
Maplewood	17.18
RJ Corp	9.50
Five Star	9.26
Citron	40.59
RKJ HUF	6.69
Whispering Resorts	4.17
Palms International	11.77
Swift Builders	6.40
Mr. Satish Chander Kohli	10.83
Mr. Raj Pal Gandhi	6.32

*As certified by O.P. Bagla & Co., Chartered Accountants by their certificate dated September 19, 2017.

For further details, see “**Capital Structure**” on page 71.

- There has been no change of name of our Company at any time during the last three years immediately preceding the date of this Draft Red Herring Prospectus.
- There has been no financing arrangement whereby our Promoter Group, the directors of our corporate Promoter, SMSPL, our Directors, and their respective relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of this Draft Red Herring Prospectus.
- For details of transactions between our Company and Subsidiaries or our Group Companies during the last financial year, including the nature and cumulative value of the transactions, see “**Related Party Transactions**” on page 207.
- For information regarding the business or other interests of our Group Companies in our Company, see “**Our Promoters, Promoter Group and Group Companies**” and “**Related Party Transactions**” on pages 199 and 207, respectively.
- Investors may contact the GCBRLMs, the BRLM or the Registrar to the Offer, for any complaints pertaining to the Offer.
- All grievances, in relation to the Bids through ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or First Bidder, ASBA Form number, Bidders’ DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. Further, all grievances of the Anchor Investors may be addressed to the Registrar to the 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 GCBRLMs or the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from a research report titled “Industry Report – Mid Priced Hotel Sector” dated September 9, 2017 prepared by Horwath HTL India. Neither we, nor any other person connected with the Offer has independently verified this information. 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. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Macroeconomic Overview of India

India is the seventh largest economy in the world with nominal GDP of USD 2.26 trillion and third in terms of purchasing power parity as per 2016 estimates. (Source: *World Development Indicators Database, World Bank, 17 April 2017*). The Indian economy grew by 7.1% in the fiscal year 2017 (estimates) as against 7.6% growth for the fiscal year 2016 (Source: *Central Statistics Office, Govt. of India*).

Hotel Supply Penetration in India as Compared to a Global Perspective

The following table sets forth the penetration of hotel supply in the United States and India in comparison to a global perspective:

Region	Supply of Hotel Rooms (in million) ¹	Population (in million) ²	Penetration (Rooms/ 1,000 people)
World	16.2	7,349	2.2
USA	5.0	321	15.7
India	0.2	1,211	0.2

Source: 1. STR; STR census inventory as at December 2016 2. United Nations - Population and Vital Statistics Report 2017

The following table sets forth the composition of chain-affiliated supply of hotel rooms in India:

Segments	March 31, 2002	March 31, 2009	March 31, 2016	March 31, 2017	March 31, 2021 (expected)	CAGR 2002 to 2017 (%)	CAGR 2017 to 2021 (%)
Luxury-Upper Upscale	15,052	22,253	45,151	47,331	56,968	7.9	4.7
Upscale	4,661	7,736	23,949	24,825	34,530	11.8	8.6
Upper Midscale	4,458	7,989	23,099	24,840	34,208	12.1	8.3
Midscale-Economy	1,895	7,121	24,989	28,363	44,093	19.8	11.7
Total	26,066	45,099	117,188	125,359	169,799	10.0	7.9
% of Total							
Luxury-Upper Upscale	57.7	49.3	38.5	37.8	33.6		
Upscale	17.9	17.2	20.4	19.8	20.3		
Upper Midscale	17.1	17.7	19.7	19.8	20.1		
Midscale-Economy	7.3	15.8	21.3	22.6	26.0		

Source: Horwath HTL India

India has moved from having more luxury and upper scale rooms, at the start of the century, to a more balanced supply scenario, with 19.8 % of the supply estimated to be available in each of the upscale and upper midscale segments, 22.5% of the supply estimated to be available in the midscale and economy segments and 38% of the supply estimated to be available in the luxury and upper upscale levels.

The mid-priced hotel sector has traditionally been underserved in terms of chain-affiliated products carrying consistent standards and marketing reach. This sector had been typically served by independent hotels with fragmented and mainly localized ownerships, inconsistent physical products, upkeep and services. The trend of increasing supply in the mid-priced hotel sectors is expected to continue, as can be seen from the supply scenario expected for the fiscal year 2021.

Supply Composition by City

The top 10 markets in India (based on hotel inventory) have 67.7% of hotel inventory in the fiscal year 2017 and each market has at least 3,000 chain-affiliated hotel rooms.

Supply share of the top three metros declined from 43.5% in the fiscal year 2002 to 37% in the fiscal year 2017. The share of the other three metros has increased marginally. Chennai added 4,500 new rooms between the fiscal years 2012 and

2017 while demand in Hyderabad stagnated between the fiscal years 2010 to early 2014 due to issues around the creation of the Telangana.

Supply share of the four main non-metro cities increased from 10.8% to 16.5%, between adding 17,818 rooms. There was substantial inventory creation in Pune and Ahmedabad, at a CAGR of 20.4% and 17.3% respectively, in this period, which contributed significantly to this growth. During the fiscal years 2002 and 2017, there were 4,002 rooms added in Jaipur and 4,453 rooms were added in Goa.

The share of other markets has remained range-bound, supply addition was approximately at 32,000 rooms during the fiscal years 2002 to 2017. Continued supply in new tourist destinations, Tier II and Tier III towns, as also other Tier I cities outside the top 10 markets, helps deepen industry potential and creates opportunities for domestic hotel companies and brands.

Supply Analysis – All India

The top 10 chain-affiliated hotels have changed over the ten year period from the fiscal year 2007 to the fiscal year 2017, with Intercontinental Hotels Group, Accor and Lemon Tree replacing Leela, Royal Orchid and Bharat Hotels on the top 10 list.

The addition of over 88,000 rooms between the fiscal years 2007 and 2017 has predominantly been under international chain management or franchise, with Marriott, Starwood, Accor, Carlson, Hyatt, Hilton and Intercontinental Hotels Group taking about 45% of this additional inventory. In comparison, the big three Indian chains, Taj, Oberoi and ITC Hotels, added only about 12,651 rooms. International chains with a more modest presence in India, such as Wyndham, Choice and Best Western, added about 3,800 rooms in this period.

During this period, three domestic chains emerged as substantial players in the mid-priced hotels sector, Sarovar Hotels, Lemon Tree and Fortune Hotels (part of the ITC Hotels inventory). The total inventory for these three chains is 12,460 rooms, of which 2,716 rooms were operational as of March 31, 2007 and 9,744 rooms were added during the period leading up to the fiscal year 2017.

As of March 31, 2007 based on hotel rooms under ownership, comprising assets where the chain has 50% or more equity interest in a freehold or leasehold asset, Taj has clear leadership followed by ITC Hotels, Oberoi and Lemon Tree Hotels in second, third and fourth place, respectively, across India.

Supply Analysis – Mid-priced sector

International hotel companies have about 50% of the total chain-affiliated supply in India, while their share of supply in the mid-priced hotel sector is only 33.7%.

Four of the top five chains in this sector are domestic chains, ITC Hotels (Fortune hotels), Sarovar, Lemon Tree and Taj (Ginger hotels). Only Accor (Ibis, Ibis Styles, Formule One and Mercure), among the international chains, is in the top 5 position. Accor had the largest inventory growth between the fiscal year 2007 and the fiscal year 2017, followed by Lemon Tree and Sarovar both of which had similar inventory additions.

Lemon Tree is currently the leader in terms of controlling interest in owned and leased rooms, ahead of Taj (Ginger which is an economy brand with lower capital needs and revenue capacity), ITC Hotels (with a model that has limited investments in this sector) and Accor (which co-invests substantially in this sector, without having majority equity position or ownership control).

Key Demand Drivers

Business Travel

Business travel comprises of inbound and domestic visitation for business related purposes. This includes travel on corporate accounts and by individual business travellers. This segment is a predominant source of demand for hotels located primarily in business oriented locations such as Bengaluru Whitefield, Hinjewadi Pune, Gurugram, and Cyberabad in Hyderabad.

Leisure Travel

Leisure travel comprises of vacation travel, including short duration vacations. Vacation travel is concentrated during school holidays (summer, Diwali and Christmas). Greater affordability, changing attitudes towards lifestyles and improved road and air connectivity have materially encouraged short stay vacations, including those taken on weekends and extended weekends. Seasonality of inbound leisure travel is different, varying more with climactic factors, so that it mainly occurs between October and March and to a lesser extent (with lower visitor profile and travel budgets) during the summer and monsoon seasons.

MICE Visitation

MICE visitation is mainly corporate driven for conferences, training programs and other events that are of customer-facing intent. The demand tends to arise during the working week and occurs during several months of the year, barring the main holiday periods and the months from March through May. MICE demand tends to carry a price sensitivity. Travelers with flexibility in timing, may choose off-season months to have access to lower rates. Hotels in predominantly business locations will generate MICE demand for training and corporate seminars which could be day or residential events. Conferences that include recreational elements, choose city centre locations and resort destinations.

Weddings and social travel

Weddings and social travel mainly involve domestic visitation for family weddings, destination weddings and other family celebrations. Other social demand also arises from time to time with guests increasingly seeking to use hotels in preference to the earlier practise of staying with family or at family houses. Such demand will likely gravitate to hotels that have the function areas, guest room capacity and also the quality to host such events at a level consistent with the status of the host. This does not however rule out upper-midscale and mid-scale hotels, because these can cater to the price sensitive demands in of bigger cities, in fact such hotels are often market leaders in Tier II and Tier III and could then attract the higher element of local demand in those markets.

Diplomatic Travel

Diplomatic travel brings in government leaders and representatives of other countries, arriving for specific purposes and often accompanied by large trade delegations, as well as diplomats posted to India and using hotels during the transition period. This demand is typically seen in major capital cities and other major cities that are source markets for international travel. Thus, New Delhi gets the bulk of such demand followed by Mumbai.

Airlines and airline crew

This demand set helps create a core of demand for hotels, albeit at significantly discounted pricing. Crew demand could arise from international and domestic carriers, while the major international airlines will use upper tier hotels, more price sensitive airlines are open to using upper midscale hotels. This demand is relatively nominal and mainly occurs at hotels that are closer to the airports.

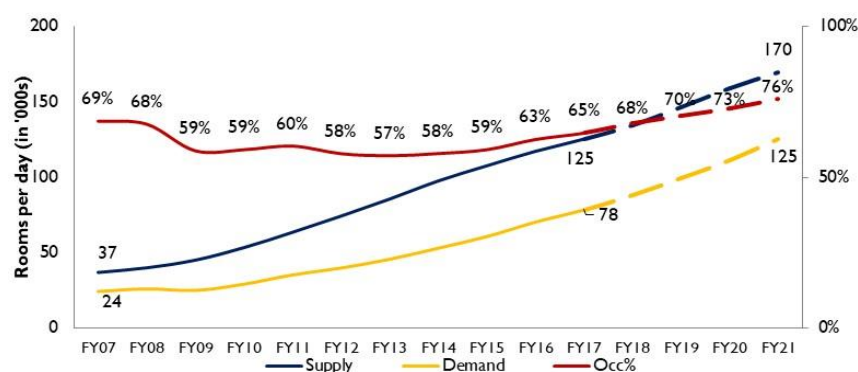
Transit demand

Persons at overnight transits between cities also need to use hotel accommodations, which are typically located close to the point of onward journey. Transit demand could occur on the inward and/ or outward leg of international travel between cities that are connected through a regional hub.

Supply and Demand

Demand levels appear to be modest over the course of the last several years, particularly when taking into account the occupancy levels at hotels. Demand across all segments grew at a CAGR of 12.5% between the fiscal years 2007 and 2016. Supply grew at a CAGR of 13.7% during this period. For upscale and upper midscale segment, the demand to supply growth gap in terms of CAGR between the fiscal years 2007 to 2016 was at a -1.0 percentage point, and it was at +2.9 percentage points for the midscale and economy segments.

The following chart sets forth the supply and demand for hotel rooms across India:



The chart above reflects the improved occupancy scenario over the last two years and a potential for occupancy growth in the foreseeable future, as the pace of demand has started to rise, while supply growth has materially slowed.

Performance of Hotels in India in Recent Years

The following table sets forth a comparison of operating performance across India for the fiscal year 2016:

Parameter	Average Across India's four star hotels	Average Across India's three star hotels	Average Across India's two star hotels
Occupancy (%)	63.4	61.7	61.4
ADR (₹)	4,173	3,023	2,058
RevPAR (₹)	2,646	1,865	1,264
Manpower Ratio/ Room	1.7	1.6	1.3

Source: All India Data: FHRAI study for the fiscal year 2016 published by FHRAI and HVS South Asia

The following table sets forth the revenue composition of the average of all chain-affiliated hotels across India for the fiscal year 2016:

Hotel Category	Four star hotels (%)	Three star hotels (%)	Two star hotels (%)
Rooms	54.2	50.8	53.0
Food and Beverages	40.7	43.6	42.2
Banquets and conferences	13.7	9.6	6.7
Telephone and other	0.3	0.1	0.2
Minor Operated	2.0	1.8	0.8
Rental and others	2.8	3.6	3.8

Source: All India Data: FHRAI study for FY 2015-16 published by FHRAI and HVS South Asia

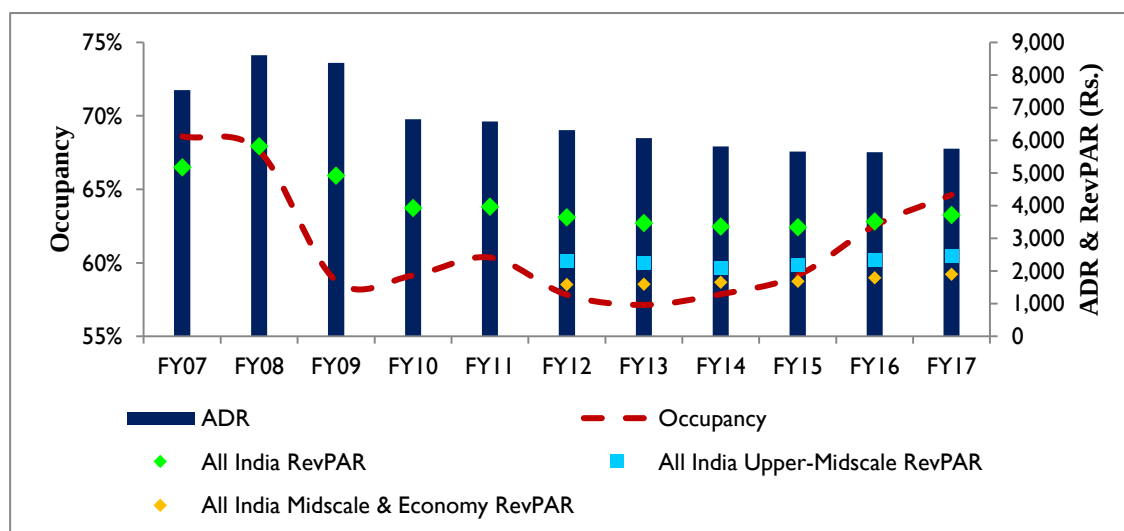
Food and beverage offerings (including banquets and meetings) are an important element of overall guest expectations in India, with particular need at hotels outside the main metros; in fact this market need also reflects substantial revenue potential.

The following table sets forth the operating performance of the average of all chain-affiliated hotels across India per available room (PAR) for fiscal year 2016:

Parameter (₹ PAR)	Average Across India's four star hotels	Average Across India's three star hotels	Average Across India's two star hotels
Total Revenue	1,734,794	1,286,723	836,034
Total Expenses	1,186,296	881,952	599,385
Total Expenses (% of Total Revenue)	68.4	68.4	71.7

Source –All India Data: FHRAI study for FY 2015-16 published by FHRAI and HVS South Asia

The chart below illustrates the change in occupancy, ADR and RevPAR across India between the fiscal years 2007 and 2017:



Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Year on year change in ADR (%)	-*	+14	-3	-21	-1	-4	-4	-4	-3	+0	+2 [#]
Occupancy (%)	69	68	59	59	60	58	57	58	59	63	65

* ADR for fiscal year 2007 was ₹ 7,543.

ADR for fiscal year 2017 was ₹ 5,745.
Source: Horwath HTL India

The hotel sector in India experienced a decrease in occupancy between the fiscal years 2008 and 2009 and again between the fiscal years 2011 and 2013. This was primarily due to the difference between supply and demand in these periods which was caused by a substantial growth in supply and a decline in demand. Slackening of occupancy invariably leads to rate decline thereby impacting RevPAR levels. Further, rate revival lags occupancy revival.

Occupancy levels have increased since the fiscal year 2014 and even more notably since the fiscal year 2015, as demand conditions have improved and the rate of new supply has decelerated. The upward trend in RevPAR has been led by occupancy, and is expected to continue. Further, ADR is expected to improve due to high occupancy levels.

Between the fiscal years 2012 and 2017, demand growth for upper midscale and midscale-economy segments exceeded supply growth, enabling a less severe impact on ADR and positive RevPAR. The upper midscale segment occupancy increased from 55.5% for the fiscal year 2012 to 63.6% for the fiscal year 2017, while number of rooms increased by 10,800. For the midscale-economy segment, occupancy improved from 56% for the fiscal year 2012 to 65% for the fiscal year 2017, while number of rooms increased by 14,500. This is an important indicator of the potential for mid-priced segment hotels in India. Increased availability of such hotels with affordable pricing is beneficial for domestic business and leisure visitors and inbound business visitors. It also facilitates a gradual shift from alternative forms of accommodation (guest houses and staying with relative to hotels.)

The following table sets forth the changes in performance of chain-affiliated hotels across India, for the period specified:

Fiscal Year	All segments	Upper Midscale	Midscale and Economy
Occupancy (%)			
Fiscal year 2007	68.6		
Fiscal year 2012	57.8	55.5	56.0
Fiscal year 2017	64.6	63.6	65.0
Fiscal year 2021 (F)	76.0	82.1	80.4
ADR (₹)			
Fiscal year 2007	7,543		
Fiscal year 2012	6,315	4,138	2,842
Fiscal year 2017	5,745	3,858	2,931

F = Horwath HTL India forecast

The following table sets forth key growth parameters of chain-affiliated hotels across India:

Period	All segments Fiscal 2007 to 2017	CAGR (%) Upper Midscale Fiscal 2012 to 2017	Midscale & Economy Fiscal 2012 to 2017
Supply	13.0	12.1	15.3
Demand	12.4	16.5	19.6
ADR	(2.7)	(1.4)	0.6
RevPAR	(3.3)	1.4	3.7
Period	Fiscal Year 2017 to 2021	Fiscal Year 2017 to 2021	Fiscal Year 2017 to 2021
Supply growth (F)	7.9	8.3	11.7
Demand growth (F)	12.4	15.6	18.6

F = Horwath HTL India forecast

Performance of Select Geographical Markets in India

Bengaluru

Bengaluru has an evenly distributed mix of rooms between various hotel segments. The market has seen a substantial growth of supply across segments in recent years. Demand is relatively higher in certain value-priced hotels which are spread across different micro-markets within the market, due to traffic constraints, thereby drawing away some demand from more centrally located upper-tier hotels. There has been a continued supply growth for hotel rooms in Bengaluru, 4,692 new rooms have been added of which 2,439 rooms are luxury and 1,067 are upscale category rooms between the fiscal years 2012 and 2016. The market experiences lack of demand diversity and is dependent on business travel. There is a potential for demand from aerospace and defence sectors. Higher occupancy levels are estimated in the short term, for different micro-markets within the city, with moderate growth rates expected.

NCR

NCR is a relatively large market with concentration of mid-priced sector hotels in certain areas. The market experienced a significant supply increase in recent years, for example, 9,300 new rooms were added between the fiscal years 2011 to 2014. Further approximately 4,200 rooms were added between fiscal years 2015 and 2017. Mid-priced hotels have performed better than the upper segment hotels, with a potential for higher rates and occupancy levels.

Delhi Aerocity

The new supply of rooms the micro-market is nearly complete, with only 200 rooms and certain apartments left to be opened by the calendar year 2018. There is expected to be limited expansion, with midscale and economy segment hotels having only approximately 300 rooms near the airport terminal. Hotels in the upper upscale segment tend to have large function spaces which attract MICE and weddings to Aerocity, which is expected to increase the demand for mid-priced sector hotels. Aerocity has central location, which helps serve the demand for hotel rooms for people headed to Delhi and Gurugram, airline crews and transit guests. There is expected to be economic growth with increased foreign direct investments and an expected increase in capacity expansions at IGI Airport (from 55 million to 75 million passengers by 2020, and 92 million passengers by 2025). Certain hotels are expected to benefit from GST replacing the luxury tax in Delhi.

Gurugram

Gurugram has a substantial new inventory, with 2,744 rooms expected to be added by the fiscal year 2021, which is expected to include 1,600 rooms in the mid-priced sector. Demand is expected to remain concentrated to business travel and MICE segments, while weddings are also expected to drive some increase in occupancy levels. There is expected to be a continued demand growth at a steady pace, however this could possibly be impacted by a deceleration in growth of the IT sector. There has been an increase in competition from Aerocity hotels, which are benefitting from GST replacing the high luxury tax in Delhi.

Hyderabad

Hyderabad has gained from the return of growth and demand in the general market, after the creation of the state of Telangana. The overall performance is moderate, improving from the 50.1% occupancy it was at for the fiscal year 2014. There has been a moderate supply growth of 1,600 rooms, between fiscal years 2014 and 2017, which are spread over different categories. There is expected to be 8.3 million square-foot of new commercial space by the fiscal year 2018. The state government is actively promoting investment in the city and state. Deceleration in growth of the IT sector may result in shift of demand to mid-priced sector hotels from upper hotel segments.

Chennai

Chennai had a growth in supply between the fiscal years 2013 to 2016, adding 3,500 rooms in a four year period, together with 1,100 rooms which were opened in the fiscal years 2011 and 2012. Occupancy levels declined to 54.2% in the fiscal year 2014 and have since gradually recovered, although ADRs remain muted. The growth of supply levels is expected to continue, with 1,220 new rooms to be added by the fiscal year 2021, these additions will predominantly be in the upper midscale (255 rooms) and midscale-economy (572 rooms) segments. An increase in the supply of mid-priced sector hotels is expected to result in moderate performance in the short term. The growth of the manufacturing and services sectors in the city is expected to create demand for hotel rooms, partially offset by the decline in the growth of the IT sector.

Pune

Pune experienced an increase in supply, approximately 5,800 rooms were added between the fiscal years 2008 and 2017, and is now experiencing reduced new supply and simultaneous positive demand growth in the fiscal years 2015, 2016 and 2017. This has helped increase occupancy to 66.8% for the fiscal year 2017 from 52.5% for the fiscal year 2012. New commercial space of 2 million square-feet is expected to be added by the first quarter of 2018, which is expected to benefit the expansion of the service sector. The growth in the manufacturing sector in Pune is also expected to increase demand for hotels, partially offset by a decline in the growth of the IT sector.

Goa

Goa is predominantly dependant on leisure and MICE travel, with a premium being charged in certain peak seasons. There is expected to be a limited supply of new rooms, i.e., 1,628 rooms, until the fiscal year 2021, primarily in upscale and upper

midscale segments. A new airport at Mopa, Goa, and a new convention centre are expected to increase demand in Goa. Implementation of GST may negatively impact higher priced hotels on a short or medium term basis, while mid-priced hotels may benefit from lower rates.

Mumbai

The supply for new hotels is moderate with the majority of the new supply located north Mumbai. A convention centre which is expected to open in calendar year 2018 is expected to increase demand, with limited room inventory in its vicinity. This is expected to help increase overall demand in north Mumbai. Business travel and MICE are expected to be the main sources of demand. Demand from airline crew is expected to continue to grow and may result in increased demand for hotels outside the upper tier, in the event ADR levels rise.

Kolkata

There continues to be a growth in the supply of rooms in Kolkata. Approximately 1,850 rooms are expected to be added by the fiscal year 2021. Certain new upper segment hotels have become operational and the limited gap between upper tier rates and upscale / upper-midscale segment rates is expected to continue.

Udaipur

There is expected to be an increase in demand due to the expansion of the Udaipur airport into international travel. There is expected to be a limited supply of new rooms, i.e. 937 rooms by the fiscal year 2021.

SUMMARY OF BUSINESS

The industry information contained in this section is derived from a research report titled “Industry Report – Mid Priced Hotel Sector” dated September 9, 2017 prepared by Horwath HTL India. Neither we, nor the Book Running Lead Managers, 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 Horwath 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.

Overview

We are India’s largest hotel chain in the mid-priced hotel sector, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. We are the ninth largest hotel chain in India in terms of owned, leased and managed rooms, as of June 30, 2017, according to the Horwath Report. We operate in the mid-priced hotel sector, consisting of the upper-midscale, midscale and economy hotel segments. We seek to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition. We opened our first hotel with 49 rooms in May 2004. We operated 4,289 rooms in 40 hotels (including managed hotels) across 24 cities in India as of July 31, 2017.

Our vision is to be India’s largest and most preferred chain of hotels and resorts in each of the upper-midscale, midscale and economy hotel segments. Due to the dynamic and evolving nature of Indian guests’ expectations and based on our market research, we have created three brands in order to address these three hotel segments:

- ‘Lemon Tree Premier’ which is targeted primarily at the upper-midscale hotel segment catering to business and leisure guests who seek to use hotels at strategic locations and are willing to pay for premium service and hotel properties;
- ‘Lemon Tree Hotels’ which is targeted primarily at the midscale hotel segment catering to business and leisure guests and offers a comfortable, cost-effective and convenient experience; and
- ‘Red Fox by Lemon Tree Hotels’ which is targeted primarily at the economy hotel segment.

We believe that by offering convenient locations, quality and value across the mid-priced hotel sector, we have created a competitive advantage in our chosen markets, which, according to the Horwath Report, have traditionally been underserved in terms of presence of chain affiliated hotels and are generally served by independent hotels with fragmented and localised ownership. Our hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. The mid-priced hotel sector is expected to have competitive benefits in offering domestic travellers with hotel solutions in tier II and tier III cities, as per the Horwath Report.

Our operations are spread across the value chain and range from acquiring land to owning, leasing, developing, managing and marketing hotels. We undertake our business through: (i) direct ownership of hotel properties, (ii) long-term lease or license arrangements for the land on which we construct our own hotels, (iii) long-term leases for existing hotels which are owned by third parties, and (iv) operating and management agreements. As of July 31, 2017, we have a portfolio of 19 owned hotels, three owned hotels located on leased or licensed land, five leased hotels and 13 managed hotels. We also have project design, management and development capabilities through our Subsidiary, Grey Fox Project Management Company Private Limited (“**Grey Fox**”).

In order to maintain our leadership position in the mid-priced hotel sector, we have focussed on the following aspects of our operations:

- developing projects and delivering operating cost structures which are economical and consequently enable us to offer a value-for-money proposition to our guests. We endeavour to achieve quicker timelines from development to commencement of operations for our hotels and maintain consistent brand experience at lower costs;

- endeavouring to deliver quality service with an emphasis on employee selection, training and engagement. We believe that our service standards have resulted in higher than average occupancy rates and guest satisfaction. In the fiscal year 2017, our owned and leased hotels had an average occupancy rate of 76.8%. In the fiscal year 2016, our owned and leased hotels had an average occupancy rate of 75.1%, while the average occupancy rate across all participating hotels in India was 62.1% for the same period, according to the Horwath Report. Further, 24 out of our 33 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2017; and
- differentiating ourselves through our sustainability initiatives and human resources strategy. We provide employment to opportunity deprived Indians, including differently-abled individuals as well as those from economically, educationally and socially marginalized sections of society. We believe these initiatives lead to an engaged and committed workforce. We have been ranked among the “Best Companies to Work for” in India for seven consecutive years from 2011 to 2017, by the Great Place to Work Institute, including in 2017 when we were ranked the fourth “Best Company to Work for” in India and were the only hotel company in the top 10.

Our Promoter, Mr. Patanjali Govind Keswani, who is also our Chairman and Managing Director, has approximately three decades of experience in the hotel and hospitality industry. He has demonstrated ability to manage and grow our operations organically and also by acquiring and integrating hotels. Our shareholders include marquee investors such as funds affiliated with Warburg Pincus and APG, a Netherlands based asset manager of pension funds.

Our revenue from operations was ₹ 4,119.34 million for the fiscal year 2017, and our revenue from operations grew at a CAGR of 17.68% between the fiscal years 2013 and 2017.

Recent Developments

We have commenced operations at our managed hotel, Lemon Tree Premier, Patna, in September 2017 which has 105 rooms and was under development, as of July 31, 2017. Accordingly, references to rooms or hotels under development as of July 31, 2017 elsewhere in this section include this hotel and rooms therein.

Further, we have entered into a hotel operation and management agreement dated August 1, 2017, for a managed hotel in Dwarka, Gujarat, under our Lemon Tree Premier brand, catering to the upper-midscale hotel segment. This hotel in Dwarka, Gujarat, is estimated to have 108 rooms and is expected to be operational by February 2019.

Our Strengths

Leading mid-priced hotel chain with a differentiated business model

According to the Horwath Report, the growth in per capita income, changing demographic dynamics, rising urbanization, growth in domestic travel and higher discretionary spending trends, is expected to assist the growth of the hotel industry in India. We are India’s largest hotel chain in the mid-priced hotel sector, and the third largest overall, in terms of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. We are the ninth largest hotel chain in terms of owned, leased and managed rooms, as of June 30, 2017, according to the Horwath Report. We have a portfolio of 40 hotels spread across 24 cities, as of July 31, 2017. As of June 30, 2017, our rooms comprised 4.22% of upper-midscale, 7.65% of midscale and 15.30% of economy rooms, aggregating to 6.91% of all mid-priced rooms, available across chain affiliated hotels in India, according to the Horwath Report.

We are well placed to benefit from the expected growth in the mid-priced hotel sector in India by leveraging our existing market position in India, geographical spread, presence in key micro-markets, our hotels under development and value-for-money proposition. The key factors which contribute to our leadership position include:

- *Strong operational performance*

We have competencies and significant experience as a developer and operator of hotels. We endeavour to develop hotels within budgeted costs and timelines while adhering to quality standards. Our focus on managing development cost per room, maximizing revenue through higher occupancies and controlling operating expenses through employee engagement and productivity, enables us to deliver improved operating margins. The average development cost per room (excluding the cost of land), for our owned hotels (including owned hotels located on leased or licensed land), developed between the fiscal years 2011 and 2015 was ₹ 5.9 million, ₹ 5.0 million and ₹ 4.5 million in the upper-midscale, midscale and economy hotel segments, respectively, which was lower than the average of select hotels in the respective hotel segments, for the same period, according to a survey conducted by HVS (India – 2016 Hotel

Development Cost Survey). The table below sets forth certain key operational parameters for our owned and leased hotels:

Fiscal Year	Upper-Midscale			Midscale			Economy		
	Lemon Tree Premier	Industry*		Lemon Tree Hotels	Industry*		Red Fox Hotels	Industry*	
	2017	2016	2016	2017	2016	2016	2017	2016	2016
ADR ¹ (₹)	4,123	3,834	4,173	3,522	3,321	3,023	2,372	2,278	2,058
Average occupancy ² (%)	74.6%	78.3%	63.4%	77.1%	73.3%	61.7%	79.1%	75.1%	61.4%
Rev PAR ³ (₹)	3,075	3,001	2,646	2,716	2,433	1,865	1,877	1,711	1,264
Average total hotel revenue per room ⁴ (₹)	1,729,431	1,587,793	1,734,794	1,423,353	1,332,894	1,286,723	918,236	854,436	836,034
Average operating expense per room ⁵ (₹)	978,477	887,601	1,186,296	821,141	815,440	881,952	521,895	477,314	599,385
Staff per room ratio ⁶	1.09	1.15	1.7	1.17	1.15	1.6	0.74	0.75	1.3

*Source: The Horwath Report; data for all participating hotels in each hotel segment; see “**Industry Overview – Performance of Hotels in India in Recent Years**” on page 129.

¹ ADR represents revenue from room rentals at our owned and leased 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 divided by the total number of room nights available at a hotel or group of hotels.

³ RevPAR is calculated by multiplying ADR and average occupancy.

⁴ Total hotel revenue includes revenue from operations of owned and leased hotels (including revenue from room rentals, food and beverage and other revenue) together with certain non-operating revenue collected at owned and leased hotels. Average total hotel revenue per room is calculated by dividing total hotel revenue for a fiscal year by number of available rooms as of March 31 of the relevant fiscal year.

⁵ Operating expenses comprises of expenses towards food and beverages consumed, employee benefit expense and other expenses such as power, fuel and water, repair and maintenance, license fees, traveling expenses, rates and taxes, marketing and commission paid to travel agents. Average operating expense per room is calculated by dividing operating expense for a fiscal year by number of available rooms as of March 31 of the respective fiscal year.

⁶ Staff per room is calculated by dividing total staff at the end of a fiscal year by number of available rooms as of March 31 of each fiscal year. Staff includes our employees and personnel engaged on a contractual basis at our owned or leased hotels.

- **Focus on domestic guests**

For the fiscal year 2016, approximately 85.9% of our hotel guests were domestic users, compared to an average of 76.9% for all participating hotels in India, according to the Horwath Report. Domestic travel volumes have grown at a CAGR of 13.7% between the calendar years 2001 and 2016 and this trend is expected to continue in line with increasing urbanisation and higher disposable income available with the expanding Indian middle class, according to the Horwath Report. According to the Horwath Report, under 2% of domestic travel translates to hotel stays and is expected to continue to provide growth for the hotel sector, particularly for business, leisure, MICE (meetings, incentives, conferences and events) and social travel segments.

Strategically positioned in key geographical areas

Our hotels are located in major metro regions in India, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities in India such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. In the leisure hotel segment, we operate a resort and a hotel in Goa, one resort in the backwaters of Alleppey, Kerala and one wildlife resort in Bandhavgarh, Madhya Pradesh. We have strategically developed our hotels at locations with high barriers-to-entry within or close to major business centers, airports and other convenient locations. Our presence across the mid-priced hotel sector in India allows us to offer our guests with quality yet cost-effective hotel solutions in metro regions and tier I and tier II cities across India.

Further, we have focused on certain key micro-markets in order to address demand and optimize pricing. For example, we have 12 operational hotels, with 1,430 rooms, as of July 31, 2017 in the National Capital Region (“NCR”). Our geographical spread across India and presence in key micro-markets enables us to cater more effectively to our corporate clients and business travellers. As of July 31, 2017, we also have a development pipeline of 2,783 rooms.

The table below demonstrates the geographical spread and breakdown of our existing hotels and hotels under development, as of July 31, 2017:

	Upper-Midscale Rooms (Hotels)	Midscale Rooms (Hotels)	Economy Rooms (Hotels)	Owned or leased Rooms (Hotels)	Managed Rooms (Hotels)
Operational as of July 31, 2017					
NCR	502 (4)	473 (5)	455 (3)	1,165 (10)	265 (2)
Bengaluru	188 (1)	305 (2)	-	493 (3)	-
Chennai	-	162 (2)	-	108 (1)	54 (1)
Hyderabad	267 (1)	190 (1)	121 (1)	578 (3)	-
Pune	-	124 (1)	-	124 (1)	-
Ahmedabad	63 (1)	99 (1)	-	99 (1)	63 (1)
Goa	-	99 (2)	-	99 (2)	-
Others	108 (1)	638 (10)	495 (4)	505 (6)	736 (9)
Total	1,128 (8)	2,090 (24)	1,071 (8)	3,171 (27)	1,118 (13)
Under development as of July 31, 2017*					
Mumbai	736 (2)	-	-	736 (2)	-
NCR	-	372 (2)	-	-	372 (2)
Kolkata	142 (1)	-	-	142 (1)	-
Hyderabad	-	84 (1)	-	84 (1)	-
Pune	199 (1)	-	-	199 (1)	-
Others	312 (3)	847 (13)	91 (1)	331 (3)	921 (14)
Total	1,389 (7)	1,303 (16)	91 (1)	1,492 (8)	1,291 (16)

*Based on management estimates. See “**Risk Factors - Statements as to the months in which our hotels under development are expected to open and the number of rooms expected in such hotels are based on management estimates and have not been independently appraised**” on page 22. Number of rooms includes additional rooms under development in existing hotels.

See “– **Description of Our Business – Our Hotel Properties**” and “– **Description of Our Business – Our Expansion Plans**” on pages 146 and 149, respectively.

Present across the value chain

We are a hospitality platform with operations and competencies spread across the hotel value chain. Our operations range from acquiring land to owning, developing, managing and marketing hotels. We have acquired expertise and understanding in site selection, design, development, management and marketing of hotels in the mid-priced hotel sector across India, as follows:

- **Development and ownership**

One of our strengths has been the ability to identify strategically located land at reasonable rates. Our business development, project management and execution process teams are involved in gathering relevant market data and assessing the potential of different locations. Based on the location of the land available, its price and the existing hotel pricing and occupancy levels in the area, we assess which of our brands is most suitable for that location, in order to maximize returns.

Our experienced project management team endeavours to develop hotels, within budgeted costs and timelines while adhering to quality standards. We work with reputable vendor partners in order to deliver projects in a timely manner and at a competitive development cost per room. For example, the average development cost per room, for our owned hotels (including owned hotels located on leased or licensed land), developed between the fiscal years 2011 and 2015 was ₹ 5.9 million, ₹ 5.0 million and ₹ 4.5 million in the upper-midscale, midscale and economy hotel segments, respectively, which was lower than the average of select hotels in the respective hotel segments, for the same period, according to a survey conducted by HVS (India – 2016 Hotel Development Cost Survey). See “– **Description of Our Business – Execution, Construction and Safety Standards**” on page 154 for details of our development timelines.

- **Hotel operations**

Our hotel operations team seeks to ensure standardized pre-opening and seamless day-to-day operations, at high levels of service and cost efficiencies. We follow a dynamic pricing policy based on various factors including anticipated demand, market conditions, inflation, competition, the state of micro-markets in which we operate and the economy in general. Our aggregate operating costs for our owned and leased hotels, expressed as a percentage of our total revenue

were 58.4% compared to an average of 66.5% for all participating hotels during fiscal 2016, according to the Horwath Report. Our ADR was ₹ 3,834, ₹ 3,321 and ₹ 2,278 for our owned and leased hotels in the upper-midscale, midscale and economy hotel segments compared to the average across all participating hotels of ₹ 4,173, ₹ 3,023 and ₹ 2,058, respectively, for the fiscal year 2016, according to the Horwath Report. See “**Industry Overview – Performance of Hotels in India in Recent Years**” on page 129 for further details.

- *Sales and marketing*

Our sales, marketing, revenue management and customer relationship management teams work together to increase hotel occupancies enabling our newly opened hotels to achieve operational and financial targets. We also leverage our loyalty program, *Lemon Tree Smiles*, to conduct low-cost, targeted sales promotion with our database of 586,461 guests, as of July 31, 2017. We also have a corporate guest loyalty program, *Lemon Tree Engage*, which had 15,452 members, as of July 31, 2017. See “– **Description of Our Business – Reservations and Sales**” on page 152.

Focus on brand excellence, providing a value-for money proposition and strengthening employee culture

Our well-differentiated brands target distinct segments in the mid-priced hotel sector, which enables us to avoid brand overlap or dilution. Our approach of owning and leasing hotels, which are designed and built or converted to our specific brand standards, has enabled us to build a portfolio of proprietary brands with uniform quality and operational parameters. We believe our brands are recognised for quality and consistency across various price points in the mid-priced hotel sector. For example, TripAdvisor awarded the Certificate of Excellence for 2017, to 24 out of our 33 hotels (which were operational for at least a year and were eligible for receiving this recognition). Our three brands have a standardized design, appearance, decor, colour and lighting scheme. These brands also provide a set of standardized guest amenities thereby ensuring that we deliver a consistent experience to our guests. We have adopted a personnel management and training and learning model that has been replicated across our hotels, including implementation of standard operating procedures and skill enhancement training. See “– **Description of Our Business – Learning and Development**” on page 159.

We believe that our hotels are preferred for their convenient locations, value-for-money offerings and our efficient service, the combination of which leads to a differentiated guest experience. As a result of higher occupancy rates than corresponding industry averages, according to the Horwath Report, our RevPAR for our owned and leased hotels was ₹ 3,001, ₹ 2,433 and ₹ 1,711 in the upper-midscale, midscale and economy hotel segments respectively, for the fiscal year 2016, compared to the average of all chain affiliated hotels of ₹ 2,646, ₹ 1,865 and ₹ 1,264, in the upper-midscale, midscale and economy hotel segments respectively, for the fiscal year 2016, according to the Horwath Report.

We have instituted several inclusive culture and sustainability initiatives. We provide employment opportunities to opportunity deprived Indians including differently abled individuals and people from economically, educationally and socially marginalized sections of Indian society. We believe these initiatives lead to an engaged and committed workforce. We have been ranked among the “Best Companies to Work for” in India every calendar year from 2011 to 2017, by Great Place to Work Institute. In calendar year 2017, we were ranked the fourth “Best Company to Work for” in India and were the only hotel company in the top 10.

Experienced promoter and management team

Our Promoter, Mr. Patanjali Govind Keswani, who is also our Chairman and Managing Director, has approximately three decades of experience in the hotel and hospitality industry. Our management team also has substantial experience in the hospitality industry. The strength of our management team and its understanding of the hospitality market in India enables us to continue to capitalize on current and future market opportunities. Our management team has a track record of improving hotel performance by well-planned refurbishment, professional centralized sales and marketing and disciplined cost control. Key members of our senior management team include Mr. Rattan Keswani, our Deputy Managing Director, Mr. Vikramjit Singh our President, Mr. Davander Singh Tomar, Executive Vice President-Corporate Affairs, Mr. JK Chawla, Executive Vice President-Projects and Engineering Services and Mr. Kapil Sharma, Chief Financial Officer, with an average of approximately 20 years of relevant experience. For further details of the profile and experience of our management team, see “**Our Management – Key Managerial Personnel**” on page 196.

Our Strategies

Strategic allocation of capital

We seek to expand our portfolio of owned hotel properties opportunistically, based on industry developments and supply and demand movements across the mid-priced hotel sector. Our strategy is to invest in buying land in demand dense markets

when acquisition costs are low and we are able to obtain debt financing at suitable rates. We then leverage our strength as a developer of hotels, including experience of our project management and execution teams, including through our Subsidiary, Grey Fox, to construct and develop our hotels. Our approach has allowed us to allocate capital at opportune times to acquire land and build hotels as per schedule. Once our hotels are operational, we aim to take advantage of growing demand to maximize revenue and returns, as well as to reduce existing debt. The table below illustrates our debt equity ratio, industry average occupancy rates and our hotel and room portfolio for the last five fiscal years:

	As at March 31,				
	2013	2014	2015	2016	2017
Average Occupancy for the Industry* (%)	57	58	59	63	65
Our Debt to Equity Ratio [#]	0.44	0.51	0.46	0.50	0.65
Owned and leased rooms added in the fiscal year	-	414	197	212	45
Aggregate owned and leased rooms [#]	1,965	2,379	2,576	2,788	2,833

^{*}Source: The Horwath Report; data for participating hotels across all hotel segments, for the respective fiscal year.

[#]Debt to equity ratio is calculated by dividing our total borrowings(non-current financial liabilities-borrowing, current financial liabilities-borrowing and other financial liabilities – current maturity of long term borrowing) by our total equity, on a consolidated basis, as on March 31 of the respective fiscal year.

Further, as part of this strategy, we have also divested equity interest in certain operational hotels we own, through our Subsidiaries, Fleur Hotels Private Limited (“**Fleur**”), Begonia Hotels Private Limited (“**Begonia**”) and Nightingale Hotels Private Limited (“**Nightingale**”). In Fleur, Begonia and Nightingale, in addition to operational control, we have majority equity interest of 57.98%, 74.11% and 57.53%, respectively, and APG owns the remaining equity interest of 42.02%, 25.89% and 42.47%, respectively. The agreements entered into by our Company with APG and these Subsidiaries, enable our Company to closely monitor the management of the hotels as well as to apply a consistent management philosophy, including standardized processes for marketing and sales, to such hotels. As a result, we are able to increase revenues and reduce operational as well as capital costs.

This approach has enabled us to bear development risks initially, and raise capital through equity financing from APG once our hotels are operational. The capital raised from APG was deployed by our Subsidiaries primarily to purchase land and develop additional hotels. For example, 1,031 rooms across five hotels under development, as of July 31, 2017, are owned by these Subsidiaries. We intend to continue using this strategy to generate capital from select investors, in order to fund organic and inorganic growth opportunities, expand or redevelop our owned hotels, reduce debt and finance asset enhancement initiatives.

Grow our national footprint and diversify geographically

We seek to diversify our geographical footprint to reduce our exposure to local, seasonal and cyclical fluctuations as well as in order to access a more diversified guest base across geographies. We currently intend to enter new markets such as Mumbai, Kolkata and Patna, in order to expand our geographical footprint. As of July 31, 2017, we have a development pipeline of 2,783 rooms across 24 new and two existing hotels. These hotels are spread over 18 additional cities across India where we were not present as of July 31, 2017. In addition, we intend to focus our expansion efforts on demand dense markets, where we already have an established presence and can leverage existing presence to expand our market share. For example, in regions where we are already present, such as the NCR and Hyderabad, we intend to continue to develop cost-effective locations as well as and enter into low cost leases or management agreements to penetrate these micro markets.

We also intend to expand our hotel portfolio in India’s tier II and tier III cities by leveraging our brands. Our expansion in India’s tier II and tier III cities offers us potential for market share gains, brand recognition and economies of scale. Our development, ownership and operating experience in India’s metro, tier I and tier II cities provides us with the local knowledge and resources needed to facilitate our expansion quickly, efficiently and cost-effectively.

Expansion through development, acquisitions, leases and management agreements

We intend to expand our portfolio through development of hotels, acquisition of properties and entering into leases and management agreements that complement our brand attributes, increase our existing guest base and enhance guest loyalty by providing a wider selection of locations, properties and services. We seek to expand our portfolio of owned properties opportunistically based on economies of the acquisition costs. We plan to invest in buying land and hotels or leasing hotels in demand dense markets with low penetration. We plan to increase the number of our owned hotels and hotels built on leased or licensed land from 22 hotels and 2,774 rooms as of July 31, 2017 to 28 hotels and 4,091 rooms, based on our hotels under development as of July 31, 2017. In addition, we seek to make strategic acquisitions in key micro markets, where we see opportunities.

We also intend to lease hotels through long term lease arrangements, based on market dynamics and the feasibility of leasing a hotel. Our analysis is based on internal profitability and return standards, as well as identifying potential locations where lease rentals are below our minimum expected earnings from such properties. We plan to increase the number of our leased hotels from five hotels and 397 rooms, to seven hotels and 572 rooms, based on our hotels under development, as of July 31, 2017.

Further, we plan to enter into management agreements which require lower upfront financial investment compared to acquisition of properties. Management agreements enable us to provide quality management and branding to third-party owned hotels, while benefitting from the extension of our network and brand presence in certain geographies. We typically take hotels on management for a minimum tenure of 10 years with a renewal option on mutually agreed terms. These arrangements are to operate hotels upon retro-fitting of existing hotels to our brand standards. We plan to increase the number of our managed hotels from 13 hotels and 1,118 rooms as on July 31, 2017 to 29 hotels and 2,409 rooms, based on our hotels under development, as of July 31, 2017.

Under our management agreements, we are typically entitled to a fixed percentage of the gross income (subject to certain adjustments) of the hotel for operations, sales and marketing fees together with royalty fees, as well as a fixed percentage of the net room revenue of the rooms booked through our guest loyalty program. We are also typically entitled to an incentive fee being a variable percentage linked to the gross operating profit of the hotel. Management agreements enable us to diversify sources of revenue, distribute costs such as head office, sales and marketing, training, loyalty program and other vendor costs, negotiate better terms with vendors, provide career development opportunities for employees in line with growth and monetize our brands while reducing investment risk.

Improve operating efficiencies to increase returns

We intend to continue to actively manage our operating costs to improve margins through the following measures, among others:

- improve staff productivity and efficiency to reduce payroll costs per room through the use of new technology, streamlined management systems, comprehensive training and performance-linked compensation;
- implement energy saving initiatives that are both cost-efficient and environmentally friendly;
- improve margins in revenue generating departments such as telecommunications, restaurants, laundry, spa operations and transportation; and
- reduce average per room costs for head office operations, sales and marketing, loyalty program expenses, among others, through the expansion of our network, hotels and rooms.

We intend to continue to maintain low hotel development costs for owned hotels and conversion costs for leased hotels, through efficient project management and oversight. We also seek to maintain competitive average development cost per room, including through innovative yet easily replicable product designs to lower procurement costs and expedite installation and fit-out time.

Attract consumers through expansion into leisure hotels and through online channels

We intend to continue to increase our focus on leisure markets to increase our share of the domestic mid-priced hotel sector as well as strengthen our presence across India. We have three operational resorts, as of July 31, 2017, in Goa, Alleppey, Kerala and a wildlife resort in Bandhavgarh, Madhya Pradesh. We seek to increasingly cater to the vacation and leisure travel needs of Indian families and groups in order to address seasonality of demand for our rooms. We intend to focus on offering a differentiated brand experience through our hospitable and efficient service, convenient locations, contemporary design and value-for-money offerings. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service, such that our brands continue to remain attractive to value conscious middle class domestic guests.

Further, we intend to continue to pursue our strategy to grow direct bookings of hotels through our website. Our ongoing investments in online advertising and marketing initiatives allow us to target our marketing messages to specific audiences in a cost-effective manner. We intend to continue to expand and evolve our online presence in order to grow revenue from online direct bookings. We have also introduced a specialist team to work with leading online travel agents (“OTAs”). We intend to continue to work with OTAs to increase our market share of online hotel bookings and increase our revenue.

SUMMARY FINANCIAL INFORMATION

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Standalone Financial Statements of our Company and the Restated Consolidated Financial Statements of our Company.

Restated standalone financial information of assets and liabilities

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
ASSETS					
Non-current assets					
(a) Property, plant and equipment	4,323.04	4,505.86	4,293.00	4,646.07	3,891.45
(b) Capital work-in-progress	58.72	52.71	117.80	48.26	647.95
(c) Investment property	25.01	25.45	25.89	26.33	-
(d) Intangible assets	5.18	3.69	6.29	12.36	10.76
(e) Intangible assets under development	14.04	-	-	-	-
(f) Financial assets					
(i) Investments	6,973.31	6,998.92	6,815.13	6,300.12	5,445.55
(ii) Loans	155.74	214.47	226.70	151.63	111.58
(iii) Other non-current financial assets	125.27	112.43	103.25	92.46	93.22
(g) Deferred tax assets (net)	-	-	-	-	-
(h) Non-Current tax assets	144.92	132.40	96.82	60.91	55.70
(h) Other non-current assets	867.02	697.57	1,040.17	1,114.19	1,639.39
	<u>12,692.25</u>	<u>12,743.50</u>	<u>12,725.05</u>	<u>12,452.33</u>	<u>11,895.60</u>
Current assets					
(a) Inventories	20.30	22.91	19.97	25.82	27.83
(b) Financial assets					
(i) Trade receivables	145.67	170.68	106.98	96.61	103.15
(ii) Cash and cash equivalents	56.64	50.97	42.14	303.05	73.55
(iii) Loans	61.36	0.11	5.61	-	4.39
(iv) Other current financial assets	1.18	1.34	1.43	1.25	1.65
(c) Other current assets	84.73	123.38	63.99	58.11	50.62
	<u>369.88</u>	<u>369.39</u>	<u>240.12</u>	<u>484.84</u>	<u>261.19</u>
Total Assets	<u><u>13,062.13</u></u>	<u><u>13,112.89</u></u>	<u><u>12,965.17</u></u>	<u><u>12,937.17</u></u>	<u><u>12,156.79</u></u>
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	7,812.13	7,780.41	7,764.26	1,286.17	1,267.77
(b) Other equity	1,460.18	1,372.99	1,511.78	7,924.10	7,666.87
Total Equity	<u>9,272.31</u>	<u>9,153.40</u>	<u>9,276.04</u>	<u>9,210.27</u>	<u>8,934.64</u>
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	2,576.21	2,772.60	2,744.39	2,623.02	2,288.90
(b) Long term provisions	8.14	7.84	6.26	5.42	3.98
(c) Other non-current liabilities	97.76	83.18	67.23	51.03	34.83
	<u>2,682.11</u>	<u>2,863.62</u>	<u>2,817.88</u>	<u>2,679.47</u>	<u>2,327.71</u>
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	421.60	441.92	416.37	573.89	257.94
(ii) Trade payables	368.67	313.99	294.61	216.58	73.56
(iii) Other financial liabilities	222.47	260.76	107.68	209.89	478.40
(b) Provisions	10.62	9.09	6.97	7.29	7.00
(c) Other current liabilities	84.35	70.11	45.62	39.78	77.54
	<u>1,107.71</u>	<u>1,095.87</u>	<u>871.25</u>	<u>1,047.43</u>	<u>894.44</u>
Total Liabilities	<u>3,789.82</u>	<u>3,959.49</u>	<u>3,689.13</u>	<u>3,726.90</u>	<u>3,222.15</u>
Total Equity and Liabilities	<u><u>13,062.13</u></u>	<u><u>13,112.89</u></u>	<u><u>12,965.17</u></u>	<u><u>12,937.17</u></u>	<u><u>12,156.79</u></u>

Restated standalone financial information of profit and loss

	Year ended March 31, 2017 Rs. (in million)	Year ended March 31, 2016 Rs. (in million)	Year ended March 31, 2015 Rs. (in million) Proforma	Year ended March 31, 2014 Rs. (in million) Proforma	Year ended March 31, 2013 Rs. (in million) Proforma
I Income					
Revenue from operations	2,182.82	1,932.83	1,880.35	1,497.71	1,427.36
Other income	54.83	12.64	361.67	450.13	26.46
Total Income	2,237.65	1,945.47	2,242.02	1,947.84	1,453.82
II Expenses					
Cost of food and beverages consumed	138.09	130.81	132.84	119.19	136.71
Employee benefits expense	503.03	472.21	480.12	441.40	398.37
Other expenses	946.50	880.94	945.18	802.01	704.34
Total expenses	1,587.62	1,483.96	1,558.14	1,362.60	1,239.42
III Restated Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)	650.03	461.51	683.88	585.24	214.40
Finance costs	412.56	425.78	461.82	358.47	322.34
Finance income	(36.97)	(23.21)	(32.27)	(121.47)	(17.94)
Depreciation and amortization expense	212.01	218.38	227.56	186.72	141.84
IV Restated Profit/(loss) before tax	62.43	(159.44)	26.77	161.52	(231.84)
V Restated Profit/(Loss) from continuing operations before tax	62.43	(159.44)	(2.20)	108.88	(264.64)
VI Tax expense:					
Current tax	8.91	3.92	2.03	18.70	-
Deferred tax charge/ (credit)	-	-	9.10	-	(28.40)
	8.91	3.92	11.13	18.70	(28.40)
VII Restated Profit/(Loss) from continuing operations (after tax)	53.52	(163.36)	(13.32)	90.18	(236.24)
VIII Profit/(loss) from discontinued operations before tax	-	-	28.96	52.64	32.80
Tax expense of discontinued operations	-	-	26.04	-	-
IX Profit/(loss) from Discontinued operations (after tax) (Also refer Note 50)	-	-	2.92	52.64	32.80
X Restated Net Profit/(Loss) (VII+IX)	53.52	(163.36)	(10.40)	142.82	(203.44)
XI Other comprehensive income					
Items that will not be reclassified to profit or loss					
Re-measurement gains/(losses) on defined benefit plans	1.49	0.55	0.90	0.97	(4.07)
Income tax effect	(0.30)	-	(0.04)	(0.04)	-
Restated Comprehensive income (net of taxes)	1.19	0.55	0.86	0.93	(4.07)
Total Restated comprehensive income/(loss) (X+XI)	54.71	(162.81)	(9.54)	143.75	(207.51)

Restated standalone financial information of cash flows

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
A. Cash flow from operating activities					
Restated Profit (Loss) before tax	62.43	(159.44)	26.77	161.52	(231.84)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:					
Depreciation and amortisation expenses	212.01	218.38	227.56	186.72	141.84
Lease equalisation reserve	14.58	15.95	16.20	16.20	54.59
Finance income (including fair value change in financial instruments)	(36.97)	(23.21)	(32.27)	(24.39)	(14.52)
Finance costs	393.64	410.74	451.67	344.01	297.99
Advance written off	-	-	-	0.12	-
Provision for gratuity	1.88	2.27	2.08	1.87	0.34
Provision for leave encashment	0.54	0.03	(0.66)	0.83	0.54
Provision for loyalty programme	(0.14)	(1.14)	0.15	0.24	0.13
Amortization of prepayment expenses	6.87	2.19	-	-	-
Share based payments to employees	11.41	14.87	24.88	2.24	18.49
Excess provision/ credit balances written back	-	(0.64)	-	(2.90)	(0.70)
Loss on slump sale	-	-	32.45	-	-
Profit on relinquishment of rights	(43.95)	-	-	(444.00)	-
Profit on sale of investment	-	-	(355.32)	-	-
Provision for litigations	0.90	1.95	-	-	-
Provision for doubtful debts	1.16	0.67	-	-	-
Net (gain)/ loss on sale of property plant and equipment	2.01	2.06	2.55	2.02	4.26
Operating profit before working capital changes:	626.37	484.68	396.06	244.48	271.12
Movements in working capital:					
Change in trade receivables	23.85	(64.37)	(10.37)	6.54	(31.19)
Change in loans and advances and other current assets	(2.29)	(40.07)	59.97	(5.59)	63.74
Change in inventories	2.62	(2.94)	5.85	2.02	(4.30)
Change in liabilities and provisions	(14.23)	108.68	(5.10)	59.55	(42.83)
Cash Generated from Operations	636.32	485.98	446.41	307.00	256.54
Direct taxes paid (net of refunds)	(21.74)	(39.49)	(73.11)	(23.95)	(28.73)
Net cash flow from operating activities (A)	614.58	446.49	373.30	283.05	227.81
B. Cash flows used in investing activities					
Purchase of Property, Plant & Equipment including CWIP and capital advances	(208.52)	(92.36)	(79.74)	(183.91)	(945.83)
Proceeds from sale of property plant & equipment	4.63	3.49	121.48	3.31	2.51
Sale proceeds on relinquishment of rights	60.00	-	-	804.00	-
Purchase of investment in subsidiary companies	(31.40)	(164.82)	(2,073.88)	(822.63)	(2,024.59)
Sale of investment in subsidiary companies	-	-	1,136.34	-	0.50
Loans given to subsidiaries	(144.07)	(125.23)	(229.39)	(737.21)	(332.38)
Loans repaid by subsidiaries	214.60	136.80	926.55	669.60	1,025.32
Interest received	36.97	23.21	32.27	24.39	14.53
Net Cash flow used in investing activities (B)	(67.79)	(218.91)	(166.37)	(242.45)	(2,259.94)
C. Cash flows from / (used in) financing activities					
Proceeds from issuance of share capital	52.78	25.30	42.97	90.17	2,599.79
Proceeds from long term borrowings	224.04	232.10	561.71	1,861.35	465.86
Repayment of long term borrowings	(403.98)	(90.96)	(470.78)	(1,734.57)	(240.71)
Proceeds/ (repayments) of short term borrowings	(20.32)	25.55	(157.53)	315.96	(477.81)
Interest paid	(393.64)	(410.74)	(444.21)	(344.01)	(297.99)
Net Cash flow used in financing activities (C)	(541.12)	(218.75)	(467.84)	188.90	2,049.14

Restated standalone financial information of cash flows

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
Net increase/(decrease) in cash and cash equivalents (A + B + C)	5.67	8.83	(260.91)	229.50	17.01
Cash and cash equivalents acquired on amalgamation	-	-	-	-	12.64
Cash and cash equivalents at the beginning of the year	50.97	42.14	303.05	73.55	43.90
Cash and cash equivalents at the end of the year	56.64	50.97	42.14	303.05	73.55
Components of cash and cash equivalents					
Cash on hand	1.94	2.42	3.95	2.37	2.41
Cheques on hand	-	-	-	2.43	-
Balances with scheduled banks in - Current accounts	54.70	48.55	38.19	298.25	71.14
Total cash and cash equivalents	56.64	50.97	42.14	303.05	73.55

Restated consolidated financial information of assets and liabilities

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
ASSETS					
Non-current assets					
(a) Property, plant and equipment	14,072.32	12,275.51	12,320.28	11,508.01	8,124.06
(b) Capital work-in-progress	3,494.06	2,592.47	1,671.20	1,349.40	3,069.12
(c) Investment Property	25.01	25.45	25.89	26.33	-
(d) Goodwill	67.34	-	-	88.00	-
(e) Intangible assets	18.76	13.32	16.31	21.20	16.79
(f) Intangible assets under development	14.04	-	-	-	-
(g) Financial assets					
(i) Investments	0.02	0.11	0.11	0.09	0.08
(ii) Loans	108.56	76.16	92.46	106.31	54.65
(iii) Other non- current financial assets	397.02	349.19	268.09	205.35	131.34
(h) Deferred tax assets (net)	-	-	3.86	-	-
(i) Non-current tax assets	209.98	193.97	159.64	79.70	91.29
(j) Other non-current assets	2,906.16	3,826.26	3,456.01	2,508.99	2,025.87
	21,313.27	19,352.44	18,013.85	15,893.38	13,513.20
Current assets					
(a) Inventories	49.37	53.85	48.08	46.70	42.97
(b) Financial assets					
(i) Trade receivables	314.45	244.83	179.05	159.63	148.42
(ii) Cash and Cash equivalents	175.92	138.07	300.37	723.89	135.75
(iii) Investments	63.39	57.66	312.36	383.73	1,860.03
(iv) Loans	4.69	6.44	7.97	6.28	8.37
(v) Other current financial assets	3.15	5.78	3.13	2.56	2.56
(c) Other current assets	193.08	200.05	96.72	102.79	106.52
	804.05	706.68	947.68	1,425.58	2,304.62
Total Assets	22,117.32	20,059.12	18,961.53	17,318.96	15,817.82
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	7,812.13	7,780.41	7,764.26	1,286.17	1,267.77
(b) Other Equity	273.59	318.58	337.62	6,706.25	7,111.22
(c) Non-controlling interests	4,283.62	4,277.34	4,222.71	2,895.48	2,093.95
Total Equity	12,369.34	12,376.33	12,324.59	10,887.90	10,472.94
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	6,907.03	5,237.30	4,865.95	4,585.01	3,705.84
(ii) Other non- current financial liabilities	4.85	14.48	15.70	49.52	40.10
(b) Long term provisions	13.56	11.89	9.49	7.16	5.40
(c) Deferred tax liabilities (net)	67.50	68.97	-	2.56	49.23
(d) Other non-current liabilities	208.28	143.40	80.90	51.04	34.84
	7,201.22	5,476.04	4,972.04	4,695.29	3,835.41
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	674.60	694.92	669.37	813.01	433.09
(ii) Trade payables	604.27	511.34	334.00	459.02	114.44
(iii) Other current financial liabilities	1,058.38	853.24	563.19	371.30	856.83
(b) Provisions	22.65	17.25	11.05	9.78	8.88
(d) Other current liabilities	186.86	130.00	87.29	82.66	96.23
	2,546.76	2,206.75	1,664.90	1,735.77	1,509.47
Total Liabilities	9,747.98	7,682.79	6,636.94	6,431.06	5,344.88
Total Equity and Liabilities	22,117.32	20,059.12	18,961.53	17,318.96	15,817.82

Restated consolidated financial information of profit and loss

	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million
			Proforma	Proforma	Proforma
I Revenue					
Revenue from operations	4,119.34	3,679.53	2,903.62	2,217.23	2,148.15
Other income	62.02	21.21	12.16	12.38	26.23
Total Income	4,181.36	3,700.74	2,915.78	2,229.61	2,174.38
II Expenses					
Cost of food and beverages consumed	353.27	346.11	284.41	244.24	221.01
Employee benefits expense	968.89	854.03	781.80	646.35	563.59
Other expenses	1,633.53	1,467.73	1,330.35	1,093.27	988.81
Total Expenses	2,955.70	2,667.87	2,396.56	1,983.86	1,773.41
III Restated earnings before interest, tax, depreciation and a (EBITDA) (I-II)	1,225.67	1,032.87	519.22	245.75	400.97
Finance costs	775.92	720.23	724.60	487.64	477.78
Finance income	(35.62)	(37.21)	(121.45)	(195.64)	(88.73)
Depreciation and amortization expense	510.12	522.61	516.87	309.66	237.43
IV Restated profit/(loss) before tax	(24.75)	(172.76)	(600.80)	(355.91)	(225.51)
V Tax expense:					
Current tax	13.72	12.07	(0.55)	18.78	0.13
Minimum Alternate Tax (MAT)	17.19	15.70	36.41	65.04	0.91
Deferred tax charge/ (credit)	16.04	97.46	(4.31)	(46.66)	(26.82)
	46.95	125.23	31.55	37.16	(25.78)
VI Restated profit/ (loss)	(71.70)	(297.99)	(632.35)	(393.05)	(199.73)
VII Other comprehensive income					
(i) Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plans	1.04	0.57	0.05	(1.37)	3.97
Income tax effect	(0.29)	-	0.07	0.22	(0.00)
Restated comprehensive income (net of taxes)	0.75	0.57	0.12	(1.15)	3.97
VIII Total Restated comprehensive income / (loss)	(70.95)	(297.42)	(632.23)	(394.20)	(195.76)
Restated profit / (loss)	(71.70)	(297.99)	(632.35)	(393.05)	(199.73)
Attributable to:					
Equity holders of the parent	(82.16)	(312.00)	(534.06)	(493.26)	(206.65)
Non-controlling interests	10.46	14.01	(98.29)	100.20	6.92
Total Restated comprehensive income / (loss)	(70.95)	(297.42)	(632.23)	(394.20)	(195.76)
Attributable to:					
Equity holders of the parent	(82.93)	(311.47)	(533.78)	(494.53)	(202.68)
Non-controlling interests	11.98	14.05	(98.45)	100.33	6.92

Restated consolidated financial information of cash flows

	For the year ended March 31, 2017 Rs. In million	For the year ended March 31, 2016 Rs. In million	For the year ended March 31, 2015 Rs. In million Proforma	For the year ended March 31, 2014 Rs. In million Proforma	For the year ended March 31, 2013 Rs. In million Proforma
A. Cash flow from operating activities					
(Loss) before tax (as restated)	(24.75)	(172.76)	(600.80)	(355.91)	(225.51)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:					
Depreciation and amortisation expenses	510.12	522.61	516.87	309.66	237.43
Lease equalisation reserve / (reversal)	64.88	67.30	25.07	16.20	(77.43)
Finance income (including fair value change in financial instruments)	(32.97)	(20.16)	(54.26)	(47.98)	(68.01)
Profit on sale of investment	(2.65)	(17.05)	(67.19)	(147.20)	(9.19)
Dividend income on mutual funds	-	-	-	(0.45)	(11.52)
Finance costs	737.04	686.74	692.83	457.23	454.27
Advance written off	0.26	5.54	0.01	0.35	-
Provision for gratuity	3.79	3.37	3.16	0.08	9.21
Provision for leave encashment	2.12	1.05	0.49	1.21	1.35
Share based payments to employees	11.41	14.87	(23.35)	2.24	18.49
Profit on relinquishment of rights	(43.95)	-	-	-	-
Excess provision/ credit balances written back	(0.06)	(3.22)	(0.36)	(4.53)	(1.97)
Provision for litigations	2.20	4.75	-	-	-
Provision for doubtful debts	2.25	1.21	1.22	-	0.25
Net (gain)/ loss on sale of property, plant and equipment	2.16	5.35	2.81	2.26	4.26
Operating profit before working capital changes:	1,231.85	1,099.60	496.50	233.15	331.63
Movements in working capital:					
Change in trade receivables	(71.87)	(66.98)	(20.65)	(11.20)	(19.05)
Change in loans and advances and other current assets	(115.43)	(726.09)	(876.21)	(195.11)	106.45
Change in inventories	4.48	(5.78)	(1.38)	(3.73)	(6.83)
Change in liabilities and provisions	316.34	501.61	22.88	(54.86)	(142.06)
Cash Generated from / (used in) Operations	1,365.36	802.36	(378.86)	(31.75)	270.14
Direct taxes paid (net of refunds)	(40.48)	(122.12)	(130.75)	59.72	(27.15)
Net cash flow from operating activities (A)	1,324.89	680.24	(509.61)	27.97	242.99
B. Cash flows used in investing activities					
Purchase of Property, Plant & Equipment including CWIP and capital advances	(2,349.66)	(1,323.87)	(1,701.24)	(2,492.67)	(1,266.79)
Proceeds from sale of Property, Plant & Equipment	6.96	4.41	79.79	3.37	292.32
Acquisition of shares in subsidiaries	(37.21)	-	(72.41)	(233.78)	(1,012.58)
Proceeds from relinquishment of rights	60.00	-	-	-	-
(Purchase)/sale of other non current investments	0.09	0.00	(0.02)	(0.00)	0.00
Sale of current investments	316.68	713.34	5,510.66	9,644.62	5,434.24
Purchase of current investments	(319.76)	(441.58)	(5,372.10)	(8,021.10)	(7,285.07)
Finance income	32.97	20.15	54.25	47.97	68.00
Dividend income on mutual funds	-	-	-	0.45	11.52
Net Cash flow used in investing activities (B)	(2,289.93)	(1,027.55)	(1,501.07)	(1,051.14)	(3,758.36)
C. Cash flows from financing activities					
Proceeds from issuance of share capital	1.20	25.29	115.87	129.45	2,586.80
Proceeds from Share Application Money received	-	-	-	-	16.67
Proceeds from Non-controlling interest (issuance of share capital by Subsidiaries)	-	309.00	2,041.66	911.26	2,677.38
Proceeds from long term borrowings	2,357.24	823.22	894.92	2,878.61	1,980.73
Repayment of long term borrowings	(598.18)	(311.31)	(629.46)	(2,230.69)	(3,097.87)
Proceeds / (Repayments) from short term borrowings	(20.32)	25.55	(143.64)	379.91	(200.74)
Interest paid	(737.04)	(686.74)	(692.19)	(457.23)	(454.42)
Net Cash from financing activities (C)	1,002.90	185.01	1,587.16	1,611.31	3,508.55

Restated consolidated financial information of cash flows

	For the year ended March 31, 2017 Rs. In million	For the year ended March 31, 2016 Rs. In million	For the year ended March 31, 2015 Rs. In million Proforma	For the year ended March 31, 2014 Rs. In million Proforma	For the year ended March 31, 2013 Rs. In million Proforma
Net increase/(decrease) in cash and cash equivalents (A + B + C)	37.85	(162.30)	(423.52)	588.14	(6.82)
Cash and cash equivalents at the beginning of the year	138.07	300.37	723.89	135.75	116.23
Cash and cash equivalents acquired on acquisition of subsidiary	-	-	-	-	9.13
Cash and cash equivalents acquired on amalgamation	-	-	-	-	17.21
Cash and cash equivalents at the end of the year	175.92	138.07	300.37	723.89	135.75
Components of cash and cash equivalents					
Cash on Hand	3.95	6.58	6.73	6.61	9.23
Balances with Scheduled Banks in					
- Current accounts	171.97	131.49	293.64	408.00	126.52
- Deposits with original maturity of less than three months	-	-	-	301.36	-
- Cheques on hand	-	-	-	7.92	-
Total cash and cash equivalents	175.92	138.07	300.37	723.89	135.75

THE OFFER

The following table summarizes details of the Offer:

Offer⁽¹⁾	Up to 195,797,000 Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
A. QIB Category⁽²⁾	Not more than 97,898,500 Equity Shares
<i>Of which:</i>	
Anchor Investor Portion ⁽³⁾	58,739,100 Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	39,159,400 Equity Shares
<i>Of which</i>	
Available for allocation to Mutual Funds only (5% of the QIB Category (excluding the Anchor Investor Portion))	1,957,970 Equity Shares
Balance for all QIBs including Mutual Funds	37,201,430 Equity Shares
B. Non-Institutional Category⁽²⁾	Not less than 29,369,550 Equity Shares
C. Retail Category⁽²⁾	Not less than 68,528,950 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	786,412,683 Equity Shares
Equity Shares outstanding after the Offer	786,412,683 Equity Shares
Use of proceeds of the Offer	As the Offer comprises of only an Offer for Sale (without any fresh issue of Equity Shares by our Company), our Company will not receive any proceeds from the Offer. For details, see “ Objects of the Offer ” on page 113.

⁽¹⁾ The Offer has been authorised by our Board pursuant to its resolution dated June 15, 2017. The Selling Shareholders have authorized their respective participation in the Offer for Sale, as stated under “– **Notes**” below.

⁽²⁾ 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 other categories or a combination of categories at the discretion of our Company in consultation with the GCBRLMs and the BRLM and the Designated Stock Exchange.

⁽³⁾ Our Company and Maplewood may, in consultation with the GCBRLMs and the BRLM, 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 will be available for allocation to domestic Mutual Funds only, 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 and Maplewood in consultation with the GCBRLMs and the BRLM. 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 the “**Offer Procedure**” on page 278.

Notes:

- The Selling Shareholders have severally and not jointly specifically confirmed and approved the offer for sale of their respective proportion of the Offered Shares as set out below:

Sl. No.	Name of the Selling Shareholder	Date of Board Resolution/ Consent Letter	Maximum number of Equity Shares offered for sale
1.	Maplewood	August 31, 2017	94,500,053
2.	RJ Corp	July 17, 2017	25,320,584
3.	RKJ HUF	August 28, 2017	13,999,416
4.	Five Star	August 28, 2017	23,649,816
5.	Palms International	August 25, 2017	19,159,911
6.	Citron	August 25, 2017	10,317,600
7.	Whispering Resorts	July 10, 2017	6,986,180
8.	Swift Builders	July 10, 2017	883,440
9.	Mr. Satish Chander Kohli	July 26, 2017	480,000
10.	Mr. Raj Pal Gandhi	August 10, 2017	500,000

- 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.

GENERAL INFORMATION

Our Company was incorporated as “P.M.G Hotels Private Limited” on June 2, 1992, as a private limited company under the Companies Act 1956, at New Delhi, with a certificate of incorporation granted by the RoC. Pursuant to a resolution of our shareholders dated December 13, 2002 the name of our Company was changed to “Krizm Hotels Private Limited” and a fresh certificate of incorporation was issued by the RoC on January 7, 2003, pursuant to such change in our name. Further, pursuant to a resolution of our shareholders dated June 2, 2010, the name of our Company was changed to “Lemon Tree Hotels Private Limited” and a fresh certificate of incorporation consequent to change in name was issued by the RoC on June 10, 2010. On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on September 29, 2012, our name was changed to “Lemon Tree Hotels Limited” and a fresh certificate of incorporation was issued by the RoC on October 22, 2012. For details of changes in name and registered office of our Company, see “**History and Certain Corporate Matters**” on page 164.

Registration Number: 049022

Corporate Identity Number: U74899DL1992PLC049022

Registered and Corporate Office

Asset No. 6
Aerocity Hospitality District
New Delhi 110 037, India
Telephone: +91 11 4605 0101
Facsimile: +91 11 4605 0110
Website: www.lemontreehotels.com

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 5707
Facsimile: +91 11 2623 5702

Board of Directors

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

Name and Designation	Age (years)	DIN	Address
Mr. Patanjali Govind Keswani <i>Designation:</i> Chairman and Managing Director	58	00002974	B-6/17, Safdarjung Enclave, New Delhi 110 029, India
Mr. Rattan Keswani <i>Designation:</i> Deputy Managing Director	56	05317766	305C, Laburnum Court Greens, Laburnum Apartment, Sushant Lok, Gurgaon 122 002, Haryana, India
Mr. Aditya Madhav Keswani <i>Designation:</i> Non-Executive Director	26	07208901	B-6/17, Safdarjung Enclave, New Delhi 110 029, Delhi, India
Mr. Ravi Kant Jaipuria <i>Designation:</i> Non-executive Director	62	00003668	7A, Aurangzeb Road, New Delhi 110 011, India
Mr. Niten Malhan <i>Designation:</i> Non-executive Director	46	00614624	Flat number 2705, The Imperial, B.B. Nakashe Marg, Behind RTO Tardeo, Mumbai 400 034, India
Mr. Willem Albertus Hazeleger <i>Designation:</i> Non-executive Director	48	07902239	Aigburth Apartment 35B, 12 Tregunter Path, Hong Kong

Name and Designation	Age (years)	DIN	Address
Mr. Gopal Sitaram Jiwrajka <i>Designation: Independent Director</i>	57	00024325	A-15, Asola Homes, Amar Marg, Chattarpur, New Delhi 110 030, India
Ms. Freyan Jamshed Desai <i>Designation: Independent Director</i>	55	00965073	B-6, First Floor, West End, Chanakyapuri, New Delhi 110 021, India
Mr. Paramartha Saikia <i>Designation: Independent Director</i>	55	07145770	L-151, Park Place, DLF Phase 5, Sector 56, Gurugram 122 011, Haryana, India
Mr. Pradeep Gupta <i>Designation: Independent Director</i>	62	00007520	D 74, Panchsheel Enclave, New Delhi 110 017, India
Mr. Arvind Singhania <i>Designation: Independent Director</i>	53	00934017	20 Gaushala Road, Satbari, Chattarpur, New Delhi 110 074, India
Mr. Ashish Kumar Guha <i>Designation: Independent Director</i>	60	00004364	House No. 23, Poorvi Marg, First Floor, Vasant Vihar, New Delhi 110 057, India

For brief profiles and further details in respect of our Directors, see “**Our Management**” on page 181.

Chief Financial Officer

Mr. Kapil Sharma is the Chief Financial Officer of our Company. His contact details are as follows:

Mr. Kapil Sharma

Asset No. 6

Aerocity Hospitality District

New Delhi 110 037, India

Telephone: +91 11 4605 0174

Facsimile: +91 11 4605 0110

E-mail: cfo@lemontreehotels.com

Company Secretary and Compliance Officer

Mr. Nikhil Sethi is the Group Company Secretary & General Manager – Legal and Compliance Officer of our Company. His contact details are as follows:

Mr. Nikhil Sethi

Asset No. 6

Aerocity Hospitality District

New Delhi 110 037, India

Telephone: +91 11 4605 0122

Facsimile: +91 11 4605 0110

E-mail: sectdept@lemontreehotels.com

Investors can contact the Company Secretary and Compliance Officer 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. For all Offer related queries and for redressal of complaints, investors may also write to the GCBRLMs and the BRLM.

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, 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 GCBRLMs or the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Global Co-ordinators and Book Running Lead Managers

Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051, Maharashtra, India Telephone: +91 22 4336 0000 Facsimile: +91 22 6713 2447 E-mail: lthl.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. 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 Facsimile: +91 22 2284 0271 E-mail: lemontree.ipo@citicclsa.com Investor Grievance E-mail: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact Person: Mr. Ankur Garg SEBI Registration No.: INM000010619	J.P. Morgan India Private Limited J.P. Morgan Tower, Off. C.S.T. Road Kalina Santacruz (East), Mumbai 400 098, Maharashtra, India Telephone: +91 22 6157 3000 Facsimile: +91 22 6157 3911 E-mail: lemontree_ipo@jpmorgan.com Investor Grievance E-mail: investorsmb.jpmpil@jpmorgan.com Website: www.jpmpil.com Contact Person: Ms. Prateeksha Runwal SEBI Registration No.: INM000002970

Book Running Lead Manager

YES Securities (India) Limited
IFC, Tower 1&2, Unit No. 602 A
6th floor, Senapati Bapat Marg Elphinstone (W), Mumbai 400 013, Maharashtra, India
Tel: +91 22 7100 9829
Facsimile: +91 22 2421 4508
E-mail: lemontree.ipo@yessecuritiesltd.in
Investor grievance e-mail: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Mukesh Garg
SEBI Registration No.: MB/INM000012227

Statement of inter-se allocation of responsibilities among the GCBRLMs and the BRLM

The responsibilities and coordination by the GCBRLMs and the BRLM for various activities in this Offer are as follows:

Sl. No.	Activity	Responsibility	Co-ordinator
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 and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers 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	Kotak, CLSA, JPM and YES Securities	Kotak
2.	Drafting and approval of all statutory advertisement	Kotak, CLSA, JPM and YES Securities	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	Kotak, CLSA, JPM and YES Securities	CLSA
4.	Appointment of Intermediaries - Registrar to the Offer, Advertising Agency, Printers and Banker(s) to the Offer	Kotak, CLSA, JPM and YES Securities	Kotak

Sl. No.	Activity	Responsibility	Co-ordinator
5.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	Kotak, CLSA, JPM and YES Securities	CLSA
6.	Non-institutional and Retail marketing of the Offer, which will cover, <i>inter alia</i> , - 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	Kotak, CLSA, JPM and YES Securities	Kotak
7.	Domestic Institutional marketing of the Offer, which will cover, <i>inter alia</i> : - 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	Kotak, CLSA, JPM and YES Securities	JPM
8.	International Institutional marketing of the Offer, which will cover, <i>inter alia</i> : - 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	Kotak, CLSA, JPM and YES Securities	CLSA
9.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading and payment of STT on behalf of Selling Shareholders	Kotak, CLSA, JPM and YES Securities	JPM
10.	Managing the book and finalization of pricing in consultation with the Company	Kotak, CLSA, JPM and YES Securities	CLSA
11.	Post-Bidding activities including management of escrow accounts, co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and SCSBs	Kotak, CLSA, JPM and YES Securities	JPM

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

Facsimile: +91 112692 4900

Legal Counsel to the GCBRLMs and the BRLM as to Indian Law

Luthra & Luthra Law Offices

1st and 9th Floor, Ashoka Estate

Barakhamba Road

New Delhi 110 001, India

Telephone: +91 11 4121 5100

Facsimile: +91 11 2372 3909

International Legal Counsel to the Underwriters

Sidley Austin LLP

Level 31
Six Battery Road
Singapore 049909
Telephone: +65 6230 3900
Facsimile: +65 6230 3939

Legal Counsel to Maplewood as to Indian Law

AZB & Partners

AZB House
Plot No. A8, Sector-4
Noida 201 301, Uttar Pradesh
Telephone: + 91 120 417 9999
Facsimile: +91 120 417 9900

Registrar to the Offer

Karvy Computershare Private Limited

Karvy Selenium, Tower - B
Plot 31 and 32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Telangana, India
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
E-mail: lemontree.ipo@karvy.com
Investor Grievance E-mail: einward.ris@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Muralikrishna
SEBI Registration No.: INR000000221

Public Offer Account Bank

[•]

Escrow Bank

[•]

Refund 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, CRTA 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 website of SEBI, and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI

(<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circulars 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 CRTAs 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. The list 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 (www.sebi.gov.in) and updated from time to time.

Auditors to our Company

S.R. Batliboi & Co. LLP

Golf View Corporate Tower-B

Sector 42, Sector Road

Gurgaon 122 002, Haryana, India

Telephone: +91 12 4464 4000

Facsimile: +91 12 4464 4050

E-mail: SRBC@in.ey.com

ICAI Firm Registration Number: 301003E/E300005

Bankers to our Company

Axis Bank Limited

K-12, Green Park Main

New Delhi 110 016, India

Telephone: +91 98736 86237/ +91 95828 00152

Facsimile: Nil

E-mail: gaurav.chandna@axisbank.com /

greenpark.operationshead@axisbank.com

Website: www.axisbank.com

Contact Person: Mr. Gaurav Chandna/ Ms. Nidhi Srivastava

HDFC Bank Limited

B-6/3, 2nd floor, Safdarjung Enclave

DDA Commercial Complex, Opposite Deer Park

New Delhi 110 029, India

Telephone: +91 11 4139 2212

Facsimile: Nil

E-mail: naveen.malhotra@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Mr. Naveen Malhotra

Kotak Mahindra Bank Limited

Kotak Aerocity, 2nd floor, Asset Area 9

IBIS Commercial Block, Hospitality District

Delhi Aerocity, New Delhi 110 037, India

Telephone: +91 11 6617 6186

Facsimile: + 91 11 6608 4599

E-mail: prerana.minocha@kotak.com

Website: www.kotak.com

Contact Person: Ms. Prerana Minocha

YES Bank Limited

48, Nyaya Marg, Chankyapuri

New Delhi 110 021, India

Telephone: +91 11 6656 9000

Facsimile: +91 11 4168 0144

E-mail: rajiv.anand@yesbank.in

Website: www.yesbank.in

Contact Person: Mr. Rajiv Anand

Grading of the Offer

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

Appraising Entity

The Offer being an Offer for Sale, the objects of the Offer have not been appraised.

Monitoring Agency

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and accordingly our Company is not required to appoint a monitoring agency.

Expert

Except as stated below, our Company has not obtained any expert opinion.

- (i) Our Company has received a written consent from the Auditors namely, S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(1)(a)(v) of the Companies Act 2013 and as “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as Statutory Auditors and in respect of their examination reports dated September 14, 2017 on our Restated Financial Statements and their report dated September 15, 2017 on the Statement of Tax Benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under U.S. Securities Act.
- (ii) Our Company has received a written consent from Crowe Horwath HTL Consultants Private Limited, to include its name, Horwath HTL India, in this Draft Red Herring Prospectus as an “expert” in terms of the Companies Act 2013, in respect of the Horwath Report.

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.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from the Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, 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 in the place where our Registered and Corporate Office is located), at least five 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 websites. The Offer Price shall be determined by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM 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 Bid/ Offer Closing Date. Anchor Investors are not allowed to 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*” on page 271.

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

Investors should note that 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.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of book building process and the price discovery process, see “*Offer Procedure – Part B – Basis of Allocation – Illustration of the Book Building Process and Price Discovery Process*” on page 308.

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. 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, facsimile 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 would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 13(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.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus and pre-Offer (upon the completion of the Proposed Amalgamation), is set forth below.

	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹)
A)	AUTHORISED SHARE CAPITAL AS OF THE DATE OF THIS DRAFT RED HERRING PROSPECTUS*		
	998,550,000 Equity Shares	9,985,500,000	-
	145,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each	14,500,000	-
	AUTHORISED SHARE CAPITAL PRIOR TO THE OFFER (UPON COMPLETION OF THE PROPOSED AMALGAMATION)⁽¹⁾		
	1,001,440,000 Equity Shares	10,014,400,000	-
	145,000 5% Cumulative Redeemable Preference Shares of ₹ 100 each	14,500,000	-
B)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AS OF THE DATE OF THIS DRAFT RED HERRING PROSPECTUS AND PRIOR TO THE OFFER (UPON COMPLETION OF THE PROPOSED AMALGAMATION) ⁽²⁾		
	786,412,683 Equity Shares [#]	7,864,126,830	[●]
C)	OFFER		
	Offer of up to 195,797,000 Equity Shares aggregating up to ₹ [●] million**	Up to 1,957,970,000	[●]
D)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	786,412,683 Equity Shares [#]	7,864,126,830	[●]
E)	SECURITIES PREMIUM ACCOUNT		
	As on the date of this Draft Red Herring Prospectus		951,894,178
	Before the Offer (upon completion of the Proposed Amalgamation) [#]		951,894,178
	After the Offer ^{##}		951,894,178

(1) Our Company and certain companies forming part of our Promoter Group have filed a petition dated August 3, 2017 (C.A. (CAA)-101(PB)/2017) before the NCLT for the approval of the scheme of amalgamation in relation to the Proposed Amalgamation, which is currently pending. For further details, see “**History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.**” on page 170.

(2) In accordance with the scheme of the Proposed Amalgamation, upon the completion of the Proposed Amalgamation, without any further action, an aggregate of 5,65,11,722 Equity Shares held by the transferor companies in our Company prior to the Proposed Amalgamation will stand cancelled, and 5,65,11,722 Equity Shares will be issued and allotted to existing shareholders of the transferor companies (except our Company) as consideration for the Proposed Amalgamation. For details on the scheme of the Proposed Amalgamation, see “**History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.**” on page 170.

* In accordance with the scheme of the Proposed Amalgamation, upon the completion of the Proposed Amalgamation, without any further action, our authorised share capital will stand increased to the extent of the aggregate authorised capital of the transferor companies (i.e., by 2,890,000 Equity Shares). For details of the changes in the authorized share capital of our Company, see “**History and Certain Corporate Matters – Amendments to our Memorandum of Association**” on page 164.

** The Offer has been authorised by our Board pursuant to its resolution dated June 15, 2017. The Selling Shareholders have specifically confirmed and authorized their respective participation in the Offer for Sale. For details see “**Other Regulatory and Statutory Disclosures**” on page 257.

[#] As of the date of this Draft Red Herring Prospectus, there are no outstanding vested options that have not been exercised and no further options will vest at any time prior to April 1, 2018

Notes to Capital Structure

1. Share Capital History

(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	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
June 2, 1992	20	100	100.00	Cash	Subscription to the MoA	Initial subscription to the MoA by Prem Nath Kapur and Nirupama Kapur for 10 equity shares each	20	2,000
March 29, 2000	500	100	100.00	Cash	Further issue	Prem N Kapur Associates Private Limited	520	52,000
October 7, 2002	45,000	100	100.00	Cash	Further issue	Patanjali Govind Keswani	45,520	4,552,000*
December 23, 2002	112,880	100	360.00	Cash	Further issue	200 equity shares to Sharanita Keswani, 500 equity shares of the Company to Lillette Dubey, 950 equity shares of the Company to Ravi Dubey, 5,500 equity shares to Ila Dubey, 650 equity shares of the Company to C S Advani, 2,750 equity shares to Puneet Bagrodia, 6,600 equity shares to Anuradha Duggal, 49,790 equity shares to Whispering Resorts and 45,940 equity shares to Mezbaan Hoteliers Private Limited	158,400	15,840,000*
Pursuant to shareholders' resolution dated January 17, 2003, each equity share of the Company of face value of ₹ 100 each was split in 10 equity shares of ₹ 10 each, therefore 158,400 equity shares of ₹ 100 each were split into 1,584,000 equity shares of ₹ 10 each.								
March 25, 2003	144,550	10	46.00	Cash	Further issue	17,300 Equity Shares to Sandhya Kodangudi, 6,500 Equity Shares to Paramartha Saikia, 8,650 Equity Shares to Arindam Bhattacharya, 13,100 Equity Shares to Tushad Cooper, 2,200 Equity Shares to Neriysang Vakil, 5,000 Equity Shares to J Vijay Anand, 10,850 Equity Shares to Bharati Jacob, 10,000 Equity Shares to Shalini Mirchandani, 10,000 Equity Shares to Dinesh Mirchandani, 17,300 Equity Shares to Sushil Kumar Jiwrajka, 35,000 Equity Shares to Pradeep Mathur and 8,650 Equity Shares to Rumeet Chawla	1,728,550	17,285,500
December 9, 2003	100,000	10	46.00	Cash	Further issue	Dianmo Holdings Limited	1,828,550	18,285,500
December 20, 2003	110,050	10	46.00	Cash	Further issue	20,000 Equity Shares to Aarti Marketing Private Limited, 22,000 Equity Shares to Mezbaan Hoteliers Private Limited, 22,000 Equity Shares to Whispering Resorts, 1,000 Equity Shares to Rasik Bahl, 1,000	1,938,600	19,386,000

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Equity Shares to Pinky Pandit, 8,650 Equity Shares to Arindam Bhattacharya, 15,000 Equity Shares to Sharanita Keswani, 7,000 Equity Shares to Ila Dubey, 12,900 Equity Shares to Tushad Cooper and 500 Equity Shares to Karkaria Eruchshaw		
December 22, 2003	79,000	10	75.00	Cash	Further issue	25,000 Equity Shares to Whispering Resorts, 16,000 Equity Shares to Sharanita Keswani, 9,000 Equity Shares to Ila Dubey, 1,000 Equity Shares to Rasik Bahl, 1,000 Equity Shares to Pinky Pandit, 20,000 Equity Shares to Nilam Gokal and 7,000 Equity Shares to Ravindra Gokal	2,017,600	20,176,000*
December 23, 2003	575,000	10	75.00	Cash	Further issue	Devyani International Private Limited	2,592,600	25,926,000
	100**	10	75.00**	Cash**	Further issue**	Peeyush Aggarwal**	2,592,700**	25,927,000**
June 28, 2004	428,000	10	75.00	Cash	Further issue	200,000 Equity Shares to Ravindra Gokal, 217,500 Equity Shares to Nakul Jagjivan and 10,500 Equity Shares to Bhavesh Gokal	3,020,700	30,207,000
June 29, 2005	30,000	10	75.00	Cash	Further issue	R P Gandhi	3,050,700	30,507,000*
August 4, 2005	48,300	10	75.00	Cash	Further issue	13,300 Equity Shares to Arindam Bhattacharya, 10,000 Equity Shares to Jaikrishan Kokal and Shalini Kokal (as joint holders), 20,000 Equity Shares to Bahram Vakil, 3,000 Equity Shares to Rasik Bahl and 2,000 Equity Shares to Pinky Pandit	3,099,000	30,990,000
February 25, 2006	120,000	10	75.00	Cash	Further issue	60,000 Equity Shares each to Whispering Resorts and Spank Management Services Private Limited (“SMSPL”)	3,219,000	32,190,000
	23,500	10	75.00	Cash	Further issue	10,800 Equity Shares to Rasik Bahl, 7,200 Equity Shares to Pinky Pandit and 5,500 Equity Shares to Atul Bakshi	3,242,500	3,2425,000
April 22, 2006	6,485,000	10	N.A.	N.A.	Bonus issue in the ratio of 2:1	1,215,000 Equity Shares to Whispering Resorts, 900,000 Equity Shares to Patanjali Govind Keswani, 66,000 Equity Shares to Sharanita Keswani, 10,000 Equity Shares to Lillette Dubey, 19,000 Equity Shares to Ravi Dubey, 142,000 Equity Shares to Ila Dubey, 13,000 Equity Shares to C S Advani, 132,000 Equity Shares to Anuradha Duggal, 55,000 Equity Shares to Puneet Bagrodia, 968,000 Equity Shares to Mezbaan Hoteliers Private Limited, 34,600 Equity Shares to Sandhya Kodangudi, 13,000 Equity Shares to Paramartha Saikia, 26,600 Equity Shares to Arindam	9,727,500	97,275,000

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Bhattacharya, 52,000 Equity Shares to Tushad Cooper, 4,400 Equity Shares to Neriysang Vakil, 10,000 Equity Shares to Vijay Anand, 21,700 Equity Shares to Bharati Jacob, 20,000 Equity Shares to Shalini Mirchandani, 20,000 Equity Shares to Dinesh Mirchandani, 34,600 Equity Shares to Sushil Jiwarjika, 30,000 Equity Shares to Pradeep Mathur, 17,300 Equity Shares to Rumeet Chawla, 575,000 Equity Shares to Dianmo Holdings Limited, 40,200 Equity Shares to Aarti Marketings Private Limited, 31,600 Equity Shares to Rasik Bahl, 22,400 Equity Shares to Pinky Pandit, 1,000 Equity Shares to Karkaria Eruchshaw, 40,000 Equity Shares to Nilam Gokal, 114,000 Equity Shares to Ravindra Gokal, 1,150,000 Equity Shares to Arctic Drinks Limited, 61,000 Equity Shares to Bhavesh Gokal, 360,000 Equity Shares to Nakul Jagjivan, 60,000 Equity Shares to Raj Pal Gandhi, 20,000 Equity Shares to Jaikrishan Kokal and Shalini Kokal (held jointly), 40,000 Equity Shares to Bahram Vakil, 120,000 Equity Shares to SMSPL, 11,000 Equity Shares to Atul Bakshi and 34,600 Equity Shares to GCJ Share Brokers Limited		
July 26, 2006	3,253,012	10	138.33	Cash	Further issue	Maplewood	12,980,512	129,805,120
September 11, 2006	2,250,000	10	138.33	Cash	Further issue	2,250,000 Equity Shares to Kotak Mahindra Private Equity Trustee Limited (as a trustee to KIREF-1, a scheme of Kotak Mahindra Realty Fund)	15,230,512	152,305,120
September 28, 2006	3,847,088	10	138.33	Cash	Further issue	Maplewood	19,077,600	190,776,000
October 30, 2006	1,445,783	10	138.33	Cash	Further issue	Maplewood	20,523,383	205,233,830
December 12, 2006	48,150	10	96.83	Cash	Further issue	SMSPL	20,571,533	205,715,330
February 2, 2007	1,134,862	10	146.67	Cash	Further issue	Maplewood	21,706,395	217,063,950
March 21, 2007	22,920,000	10	N.A.	Other than cash	Merger of Winsome Entertainment and Tourism Private Limited (“Winsome”) with our Company. For details, see “ <i>History and Certain Corporate</i>	7,029,375 Equity Shares to SMSPL, 7,211,000 Equity Shares to Devyani International Limited, 1,753,125 Equity Shares to Dianmo Holdings Limited, 3,600,000 Equity Shares to Five Star, 150,000 Equity Shares to Nakul Arun Jagjivan, 1,996,875 Equity Shares to	44,626,395	446,263,950

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
					<i>Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.” on page 170</i>	Sands Investment Limited, 681,500 Equity Shares to Maplewood, 56,250 Equity Shares to Raj Pal Gandhi, 71,250 Equity Shares each to J.K. Chawla, Aradhana Lal and Rahul Pandit, 58,750 Equity Shares each to Kapil Sharma and Cyrus Madan, 15,000 Equity Shares to Nikhil Sharma, 9,375 Equity Shares to Gaurav Pallial, 10,000 Equity Shares to Davender Kapoor, 8,625 Equity Shares to Abhijeet Srivastava, 6,562 Equity Shares to Bharat Alagh, 3,750 Equity Shares to Perkin Rocha, 16,250 Equity Shares to Anand Vashishtha, 3,750 Equity Shares to Rajpal Singh, 5,812 Equity Shares each to Vikramjit Singh and Asha Pathania, 5,625 Equity Shares each to D.K. Malik and Kamal Sharma, 1,875 Equity Shares each to Sandeep Ghosh and Shaleen Mathur, 750 Equity Shares each to Krishnaswamy, Shreya Khati, Manoj Kumar, Vaibhav Mittal, Ravinder Singh and Abhishek Bairagi, 562 Equity Shares each to Sakshi Sharma, Rupesh Kumar, Santosh Nayak, Bishnu Pada Dutta, Johnson Minz, Gaurav Goyal, Ajay Kanojia, Shubhanshu Sharma, Krishan Bhardwaj, Anil Gurung and Narottam Singh and 7 Equity Shares to Sharanita Keswani		
March 31, 2007	252,000	10	15.33	Cash	Exercise of stock options	60,000 Equity Shares each to J.K Chawla, Aradhana Lal and Rahul Pandit, 42,000 Equity Shares to Cyrus Madan, 18,000 Equity Shares to Nikhil Sharma and 12,000 Equity Shares to Davender Kapoor	44,878,395	448,783,950
	126,690	10	22.50	Cash	Exercise of stock options	19,200 Equity Shares each to J.K Chawla, Aradhana Lal and Rahul Pandit, 27,000 Equity Shares to Kapil Sharma, 14,340 Equity Shares to Cyrus Madan, 5,760 Equity Shares to Nikhil Sharma, 3,000 Equity Shares to Gaurav Pallial, 3,840 Equity Shares to Davender Kapoor, 4,650 Equity Shares to Abhijeet Srivastava, 7,500 Equity Shares to Rajpal Singh and 3,000 Equity Shares to Sakshi Sharma	45,005,085	450,050,850
October 4, 2007	1,200,000	10	155.00	Cash	Conversion of warrants	Maplewood	46,205,085	462,050,850
April 21, 2008	13,125	10	110.66	Cash	Exercise of stock options	6,000 Equity Shares to Davander Tomar, 2,700 Equity Shares to Rajiv Tyagi, 1,800 Equity Shares to Saket Puri, 1,200 Equity Shares each to Inder Pal Batra and	46,218,210	462,182,100

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Joginder Singh and 225 Equity Shares to Ashok Dahiya		
	5,400	10	117.33	Cash	Exercise of stock options	1,200 Equity Shares to Parveen Shah, 1,500 Equity Shares to Manish Dayya, 600 Equity Shares each to Suman Singh, Dipon Mukherjee and Ranjan Basu and 225 Equity Shares each to Saurabh Gahoi, Harpal Singh, Amit Pundir and Mukesh Verma	46,223,610	462,236,100
May 28, 2008	2,431,553	10	N.A.	Other than cash	Merger of Muskan Properties Private Limited (“ Muskan ”) and Tangerine Hotels Private Limited (“ Tangerine ”) with our Company. For details, see “ History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc. ” on page 170	53 Equity Shares to Patanjali Govind Keswani, being the shareholder of Muskan; 4 Equity Shares to Patanjali Govind Keswani, 667,494 Equity Shares to SMSPL, 2 Equity Shares to Sharanita Keswani, 40,000 Equity Shares Ila Dubey, 90,100 Equity Shares to Swift Builders, 750,500 Equity Shares to R K Jaipuria (as Karta of RKJ HUF), 12,900 Equity Shares to Peeyush Aggarwal, 405,250 Equity Shares each to Sands Investment Limited and Five Star and 60,000 Equity Shares to Arctic Drinks Limited, being the shareholders of Tangerine	48,655,163	486,551,630
June 7, 2008	1,200,000	10	160.83	Cash	Conversion of warrants	Maplewood	49,855,163	498,551,630
June 24, 2008	361,446	10	96.83	Cash	Further Issue	SMSPL	50,216,609	502,166,090
	378,427	10	102.67	Cash	Further Issue	SMSPL	50,595,036	505,950,360
October 21, 2008	300,000	10	108.50	Cash	Further Issue	SMSPL	50,895,036	50,895,0360
January 31, 2009	6,315,921	10	35.00	Cash	Further Issue	2,886,129 Equity Shares to Maplewood and 3,429,792 Equity Shares to Aster	57,210,957	57,210,9570
February 17, 2009	3,768, 970	10	35.00	Cash	Further Issue	292,500 Equity Shares to Whispering Resorts, 3,000 Equity Shares to Lilette Dubey, 50,600 Equity Shares to Ila Dubey, 3,900 Equity Shares to CS Advani, 30,000 Equity Shares to Anuradha Duggal, 40,500 Equity Shares to Puneet Bagrodia, 240,000 Equity Shares to Mezbaan Hoteliers Private Limited, 3,900 Equity Shares to Paramartha Saikia, 7,980 Equity Shares to Arindam Bhattacharya, 15,600 Equity Shares to Tushad Cooper, 1,320 Equity Shares to Neriysang Vakil, 3,000 Equity Shares to J Vijay Anand, 6,510 Equity Shares to Bharati Jacob, 12,000 Equity Shares to Shalini Mirchandani, 9,000 Equity Shares to Pradeep Mathur, 9,480 Equity Shares to Rasik Bahl, 6,720 Equity Shares to Pinky Pandit, 32,200 Equity Shares to Ravindra Gokal, 12,000 Equity Shares to	60,979,927	60,979,9270

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Bhaves Gokal, 25,500 Equity Shares to Raj Pal Gandhi, 6,000 Equity Shares to Jaikrishan Kokal and Shalini Kokal (as joint holders), 12,000 Equity Shares to Bahram Vakil, 3,300 Equity Shares to Atul Bakshi, 14,640 Equity Shares to Peeyush Aggarwal, 491,000 Equity Shares to Kotak Mahindra Private Equity Trustee Limited (as a trustee to KIREF-1, a scheme of Kotak Mahindra Realty Fund, 1,125 Equity Shares to Kamal Sharma, 1,500 Equity Shares to Anand Vashishtha, 1,125 Equity Shares to D.K. Malik, 33,600 Equity Shares to Santosh Kumar Bagrodia, 13,200 Equity Shares to Pushpa Bagrodia, 1,200 Equity Shares to Santosh Kumar Puneet Bagrodia HUF, 5,190 Equity Shares to Ravinder Kaur, 261,905 Equity Shares to Kotak Mahindra Trusteeship Services Limited A/c KAOIF, 266,000 Equity Shares to Citron, 18,020 Equity Shares to Swift Builders, 226,190 Equity Shares to Kotak India Realty Fund Limited, 11,905 Equity Shares to Kotak Investment Advisors Limited, 4,300 Equity Shares to Riyaz Kaka, 2,000 Equity Shares to Shriyam Financial Planners & Education Private Limited, 20,760 Equity Shares to Ayush Jiwarajka, 1,568,300 Equity Shares to PRN		
February 18, 2009	2,084,000	10	35.00	Cash	Conversion of warrants	77,870 Equity Shares to SMSPL, 89,319 Equity Shares to Aster and 1,916,811 Equity Shares to PRN	63,063,927	63,063,9270
February 19, 2009	731,300	10	144.94	Cash	Conversion of warrants	Maplewood	63,795,227	63,795,2270
April 28, 2009	92,454	10	28.00	Cash	Further issue	Allotted to 31 existing shareholders of the Company	63,887,681	63,887,6810
May 8, 2009	1,558,600	10	85.00	Cash	Conversion of warrants	Maplewood	65,446,281	65,446,2810
September 4, 2009	1,760,650	10	85.00	Cash	Conversion of warrants	241,267 Equity Shares to Kotak Mahindra Trusteeship Services Limited on account of KAOIF, 10,967 Equity Shares to Kotak Investment Advisors Limited, 208,366 Equity Shares to Kotak India Realty Fund Limited, 123,600 Equity Shares to Citron, 308,850 Equity Shares to SMSPL, 604,800 Equity Shares to Aster, 262,800 Equity Shares to RJ Corp	67,206,931	67,206,9310
	9,000	10	124.00	Cash	Exercise of stock options	Naveena Guleria	67,215,931	67,215,9310
	1,860	10	35.00	Cash	Further issue	Naveena Guleria	67,217,791	67,217,7910
	300	10	128.66	Cash	Exercise of stock options	Naveena Guleria	67,218,091	67,218,0910

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
February 4, 2010	365,000	10	85.00	Cash	Conversion of warrants	RJ Corp	67,583,091	67,583,0910
March 30, 2010	34,900	10	105.60	Cash	Exercise of stock options	4,000 Equity Shares to JK Chawla, 13,200 Equity Shares to Aradhana Lal, 2,800 Equity Shares to Rahul Pandit, 6,100 Equity Shares to Kapil Sharma, 6,200 Equity Shares to Cyrus Madan and 2,600 Equity Shares to Davender Kapoor	67,617,991	67,617,9910
	38,575	10	99.59	Cash	Exercise of stock options	12,000 Equity Shares each to JK Chawla and Rahul Pandit, 5,400 Equity Shares to Cyrus Madan, 4,800 Equity Shares to Nikhil Sharma, 1,150 Equity Shares to Abhijeet Shrivastava, 125 Equity Shares to Perkin Rocha, 1,550 Equity Shares to Rajpal Singh, 350 Equity Shares each to Vikram Jit Singh and Asha Pathania, 50 Equity Shares each to Abhishek Bairagi, Manoj Kumar, Vaibhav Mittal Ravinder Singh, Johnson Minz, Gaurav Goyal, Ajay Kanojia, Shubhanshu Sharma, Krishan Bhardwaj, Anil Gurung and Narottam Singh and 100 Equity Shares each to Rupesh Kumar, Santosh Nayak and Bishnu Dutta	67,656,566	67,656,5660
April 20, 2010	811,450	10	85.00	Cash	Conversion of warrants	Aster	68,468,016	68,468,0160
August 12, 2010	522,400	10	85.00	Cash	Conversion of warrants	156,450 Equity Shares to SMSPL, 263,750 Equity Shares to Aster and 102,200 Equity Shares to RJ Corp	68,990,416	68,990,4160
	23,114	10	99.65	Cash	Further issue	SMSPL	69,013,530	69,013,5300
	3,000	10	20.25	Cash	Exercise of stock options	Sakshi Sharma	69,016,530	69,016,5300
	675	10	105.60	Cash	Exercise of stock options	Sakshi Sharma	69,017,205	69,017,2050
	189	10	115.79	Cash	Exercise of stock options	Sakshi Sharma	69,017,394	69,017,3940
	773	10	25.20	Cash	Exercise of stock options	Sakshi Sharma	69,018,167	69,018,1670
October 6, 2010	4,500	10	111.60	Cash	Exercise of stock options	Vijay Handa	69,022,667	69,022,6670
	900	10	25.20	Cash	Exercise of stock options	Vijay Handa	69,023,567	69,023,5670
	160	10	117.00	Cash	Exercise of stock options	Vijay Handa	69,023,727	69,023,7270
February 28, 2011	12,000	10	20.25	Cash	Exercise of stock options	Asha Pathania	69,035,727	69,035,7270
	2,000	10	99.60	Cash	Exercise of stock options	Asha Pathania	69,037,727	69,037,7270
	2,840	10	25.20	Cash	Exercise of stock options	40 Equity Shares to Anjali Rai and 2,800 Equity Shares to Asha Pathania	69,040,567	69,040,5670
	200	10	111.60	Cash	Exercise of stock options	Anjali Rai	69,040,767	69,040,7670
March 29, 2011	2,790	10	99.65	Cash	Further issue	SMSPL	69,043,557	69,043,5570
May 10, 2011	4,167	10	99.59	Cash	Exercise of stock options	Saket Puri	69,047,724	69,047,7240
	833	10	25.20	Cash	Exercise of stock options	Saket Puri	69,048,557	69,048,5570
June 30, 2011	125,000	10	160.00	Cash	Further issue	Raizada Vaid	69,173,557	69,173,5570

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
September 14, 2011	23,926	10	99.65	Cash	Further issue	SMSPL	69,197,483	691,974,830
	540	10	117.00	Cash	Exercise of stock options	Rahul Sharma	69,198,023	691,980,230
	60	10	145.00	Cash	Exercise of stock options	Rahul Sharma	69,198,083	691,980,830
	981,900	10	85.00	Cash	Conversion of warrants	799,900 Equity Shares to SMSPL and 182,000 Equity Shares to PRN	70,179,983	701,799,830
October 26, 2011	360,000	10	99.65	Cash	Further issue	SMSPL	70,539,983	705,399,830
October 28, 2011	465,400	10	85.00	Cash	Conversion of warrants	Maplewood	71,005,383	710,053,830
November 8, 2011	152,300	10	85.00	Cash	Conversion of warrants	79,776 Equity Shares to Kotak Mahindra Trusteeship Services Limited on account of KAI OF, 68,898 Equity Shares to Kotak Indian Realty Fund and 3,626 Equity Shares to Kotak Investment Advisors Limited	71,157,683	711,576,830
December 14, 2011	270,000	10	85.00	Cash	Conversion of warrants	SMSPL	71,427,683	714,276,830
	675	10	105.60	Cash	Exercise of stock options	Sakshi Sharma	71,428,358	714,283,580
	377	10	115.79	Cash	Exercise of stock options	Sakshi Sharma	71,428,735	714,287,350
	40	10	117.00	Cash	Exercise of stock options	Sakshi Sharma	71,428,775	714,287,750
	211	10	25.20	Cash	Exercise of stock options	Sakshi Sharma	71,428,986	714,289,860
February 6, 2012	204,810	10	20.25	Cash	Exercise of stock options	Allotted to 17 persons pursuant to exercise of stock options	71,633,796	716,337,960
	135,740	10	17.60	Cash	Exercise of stock options	Allotted to 36 persons pursuant to exercise of stock options	7,176,536	717,695,360
	54,000	10	47.25	Cash	Exercise of stock options	Davander Tomar	71,823,536	718,235,360
	15,000	10	50.04	Cash	Exercise of stock options	Davander Tomar	71,838,536	718,385,360
	800	10	54.90	Cash	Exercise of stock options	Davander Tomar	71,839,336	71,839,3360
	11,000	10	52.00	Cash	Exercise of stock options	7,500 Equity Shares to Davander Tomar and 3,500 Equity Shares to Kapil Sharma	71,850,336	71,850,3360
	3,500	10	55.50	Cash	Exercise of stock options	Davander Tomar	71,853,836	71,853,8360
	141,350	10	69.70	Cash	Exercise of stock options	Allotted to 22 persons pursuant to exercise of stock options	71,995,186	71,995,1860
	283,350	10	73.90	Cash	Exercise of stock options	Allotted to 29 persons pursuant to exercise of stock options	72,278,536	72,278,5360
	40,800	10	78.10	Cash	Exercise of stock options	12,000 Equity Shares to Rajiv Tyagi, 10,800 Equity Shares to Rakesh Kumar, 7,200 Equity Shares to Kuldeep Singh, 3,600 Equity Shares each to Tarun Lakhanpal, Nitin Sharma and Sunder Singh	72,319,336	72,319,3360
	88,190	10	80.80	Cash	Exercise of stock options	Allotted to 35 persons pursuant to exercise of stock options	72,407,526	724,075,260
	26,610	10	81.90	Cash	Exercise of stock options	Allotted to 35 persons pursuant to exercise of stock options	72,434,136	724,341,360

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 15, 2012	10,000	10	101.50	Cash	Exercise of stock options	Davander Tomar	72,444,136	724,441,360
	10,000	10	112.00	Cash	Exercise of stock options	Davander Tomar	72,454,136	72,4541,360
	2,500	10	78.10	Cash	Exercise of stock options	Shamsher Singh	72,456,636	724,566,360
	500	10	17.60	Cash	Exercise of stock options	Shamsher Singh	72,457,136	724,571,360
	420	10	81.90	Cash	Exercise of stock options	Shamsher Singh	72,457,556	724,575,560
	180	10	101.50	Cash	Exercise of stock options	Shamsher Singh	72,457,736	724,577,360
March 30, 2012	40	10	112.00	Cash	Exercise of stock options	Shamsher Singh	72,457,776	724,577,760
	1,097,000	10	85.00	Cash	Conversion of warrants	SMSPL	73,554,776	735,547,760
April 30, 2012	6,809	10	99.65	Cash	Further issue	SMSPL	73,561,585	735,615,850
	3,593,316	10	65.00	Cash	Further Issue	2,679,279 Equity Shares to Maplewood, 696,091 Equity Shares to SMSPL, 217,946 Equity Shares to Kotak Mahindra Trusteeship Services Limited for the account of KAOIF	77,154,901	771,549,010
May 4, 2012	188,226	10	65.00	Cash	Further Issue	Kotak India Realty Fund	77,343,127	773,431,270
May 9, 2012	227,980	10	65.00	Cash	Further Issue	SMSPL	77,571,107	775,711,070
	5,286,419	10	238.00	Cash	Further Issue	APG	82,857,526	828,575,260
August 29, 2012	5,341,151	10	65.00	Cash	Further Issue	1,718,631 Equity Shares to SMSPL, 472,646 Equity Shares to Aster, 3,818 Equity Shares to Lillette Dubey, 39,782 Equity Shares to Ila Dubey, 2,127 Equity Shares to C S Advani, 17,564 Equity Shares to Ravindra J. Gokal, Shobhna R. Gokal and Bhavesh R. Gokal (held jointly), 6,545 Equity Shares to Bhavesh R Gokal, Ravindra J Gokal and Shobha R Gokal (held jointly), 541,386 Equity Shares to Five Star, 573,887 Equity Shares to Palms International, 1,093,728 Equity Shares to RJ Corp, 194,436 Equity Shares to R K Jaipuria (as karta of R K Jaipuria & Sons), 345,027 Equity Shares to Kotak Investment Advisors Limited, 159,545 Equity Shares to Whispering Resorts, 18,982 Equity Shares to Santosh Kumar Puneet Bagrodia HUF, 39,120 Equity Shares to Swift Builders, 4,545 Equity Shares to Anuradha Duggal, 2,127 Equity Shares to Paramartha Saikia, 4,353 Equity Shares to Arindam Bhattacharya, 14,873 Equity Shares to Tushad Cooper, 720 Equity Shares to Neriysang Vakil, 1,636 Equity Shares to J Vijay Anand, 3,551 Equity Shares to Bharati Jacob, 6,545 Equity Shares to Shalini Mirchandani, 4,909 Equity Shares to Pradeep	88,198,677	881,986,770

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Mathur, 136 Equity Shares to Karkaria Kariman Eruchshaw, 18,454 Equity Shares to Raj Pal Gandhi, 3,273 Equity Shares to Jaikrishan Kokal & Shalini Kokal, 6,545 Equity Shares to Bahram Vakil, 1,800 Equity Shares to Atul Bakshi, 9,803 Equity Shares to Peeyush Agarwal, 614 Equity Shares to Kamal Sharma, 2,831 Equity Shares to Ravinder Kaur, 2,309 Equity Shares to Riyaz Kaka, 1,091 Equity Shares to Shriyam Financial Planners & Education Private Limited, 11,324 Equity Shares to Ayush Jiwarajka, 1,124 Equity Shares to Naveena Guleria and 11,364 Equity Shares to Raizada Vaid		
September 28, 2012	147,908	10	52.00	Cash	Further issue	Allotment to 39 existing shareholders of the Company	88,346,585	883,465,850
February 4, 2013	32,486,000	10	N.A.	Other than cash	Merger of Spank Hotels Private Limited (“ Spank Hotels ”) with our Company. For details, see “ History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc. ” on page 170	10,133,466 Equity Shares to SMSPL, 9,400,000 Equity Shares to Maplewood, 4,030,000 Equity Shares to R J Corp, 220,000 Equity Shares to Devyani Jaipuria, 740,322 Equity Shares to Kotak Mahindra Trusteeship Services Limited on account of Kotak India Real Estate Fund-I (a scheme of Kotak Mahindra Realty Fund), 20,000 Equity Shares to Anil Kumar, Malvika Kumar and Amaan Ishaan Kumar (held jointly), 80,000 Equity Shares to Anil Kumar and Malvika Kumar (held jointly), 3,000 Equity Shares to Monica Sharma, 70,000 Equity Shares to Tushad Cooper, 134,000 Equity Shares to Ila Dubey, 50,000 Equity Shares to Arindam Bhattacharya and Sujata Bhattacharya (held jointly), 50,000 Equity Shares to R P Gandhi, 20,000 Equity Shares to Pinky Pandit, 40,000 Equity Shares to Bhagirathi Saikia and Paramartha Saikia (held jointly), 50,000 Equity Shares to Gopal Sitaram Jiwarajka, 80,000 Equity Shares to S. C. Kohli, 24,000 Equity Shares to Lillette Dubey, 50,000 Equity Shares to Anand Mallipudi and Reema Gupta (held jointly), 20,000 Equity Shares to Peeyush Aggarwal, 14,000 Equity Shares to Vipin Mahajan and Preeti Mahajan (held jointly), 2,025,000 Equity Shares to Five Star, 10,000 Equity Shares to Yashpal Kumar, 6,000 Equity Shares to Arun Pandeya, 2,325,000	120,895,363	1,208,953,630

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Equity Shares to Palms International, 10,000 Equity Shares to Ramji Bharany and Benu Bharany (held jointly), 30,000 Equity Shares to Sunu Aibara and Homi Aibara (held jointly), 40,000 Equity Shares to Geld Consultancy Services Limited, 8,000 Equity Shares to S.N. Sahai and Nandita Sahai (held jointly), 14,000 Equity Shares to K.M.S Shergill and Mandeep Shergill (held jointly), 4,000 Equity Shares to Capt. Nijdeep Sra, 40,000 Equity Shares to Shalini Mirchandani and Dinesh Mirchandani (held jointly), 20,000 Equity Shares to Arjun Sawhny, 4,000 Equity Shares to Divya Kamal HUF, 1,027,334 Equity Shares to PRN, 300,000 Equity Shares to Nakul Jagjivan, 1,200 Equity Shares to Naveena Guleria, 4,000 Equity Shares to Vikram Chhachhi and Rachna Chhachhi (held jointly), 4,000 Equity Shares to Devinder Singh Chawla and Rumeet Chawla (held jointly), 40,000 Equity Shares to M.M. Pallam Raju, 3,000 Equity Shares to Simi Rajan, 2,000 Equity Shares to Harish Sud and Rati Sud (held jointly), 295,710 Equity Shares to India Golf Assets Private Limited, 504,936 Equity Shares to Kotak Mahindra Trusteeship Services Limited on account of Kotak Alternate Opportunities (India) Fund, 22,952 Equity Shares to Kotak Investment Advisors Limited, 436,080 Equity Shares to Kotak India Realty Fund and 80,000 Equity Shares to Sharanita Keswani		
	145,040	10	65.00	Cash	Preferential allotment	20,000 Equity Shares to Devyani Jaipuria, 26,883 Equity Shares to India Golf Assets Private Limited, 1,818 Equity Shares to Anil Kumar, Malvika Kumar and Amaan Ishaan Kumar (held jointly), 7,273 Equity Shares to Anil Kumar and Malvika Kumar (held jointly), 27,273 Equity Shares to Nakul Jagjivan, 273 Equity Shares to Monica Sharma, 4,545 Equity Shares to Arindam Bhattacharya and Sujata Bhattacharya (held jointly), 3,636 Equity Shares to Bhagirathi Saikia and Paramartha Saikia (held jointly), 4,545 Equity Shares to Gopal Jiwarajka, 1,273 Equity Shares to Vipin Mahajan and Preeti Mahajan (held jointly), 909	121,040,403	1,210,404,030

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Equity Shares to Yashpal Kumar, 545 Equity Shares to Arun Pandeya, 2,727 Equity Shares to Sunu Aibara and Homi Aibara (held jointly), 3,636 Equity Shares to Geld Consultancy Services Limited, 727 Equity Shares to S.N.Sahai and Nandita Prasad Sahai, 1,273 Equity Shares to K.M.S. Shergill and Mandeep Shergill (held jointly), 364 Equity Shares to Nijdeep Singh Sra, 1,818 Equity Shares to Arjun Sawhny, 364 Equity Shares to Divya Kamal HUF, 364 Equity Shares to Vikram Chhachhi and Rachna Chhachhi (held jointly), 364 Equity Shares to Devinder Singh Chawla and Rumeet Chawla (held jointly), 3,636 Equity Shares to M M Pallam Raju, 182 Equity Shares to Harish Sud and Rati Sud (held jointly), 4,581 Equity Shares to Sharanita Keswani, 818 Equity Shares to Anand Vashishtha, 842 Equity Shares to Sakshi Sharma, 1,738 Equity Shares to Asha Pathania, 68 Equity Shares to Shaleen Mathur, 82 Equity Shares to Shreya Khati, 32 Equity Shares to Manoj Kumar, 32 Equity Shares to Ravinder Singh, 25 Equity Shares to Krishan Bhardwaj, 25 Equity Shares to Anil Gurung, 23 Equity Shares to Rahul Sharma, 578 Equity Shares to Krizm Hotels Private Limited Employee Welfare Trust and 21,768 Equity Shares to SMSPL		
	1,350	10	101.50	Cash	Exercise of stock options	120 Equity Shares to Amika Sharma and 1,230 Equity Shares to Jairaj Singh	88,347,935	883,479,350
	325	10	112.00	Cash	Exercise of stock options	25 Equity shares to Amika Sharma and 300 Equity Shares to Jaipal Singh	88,348,260	883,482,600
	4,000	10	32.50	Cash	Exercise of stock options	Jairaj Singh	88,352,260	883,522,600
	2,093	10	52.00	Cash	Exercise of stock options	Jairaj Singh	88,354,353	883,543,530
	2,250	10	69.70	Cash	Exercise of stock options	Amika Sharma	88,356,603	883,566,030
	13,050	10	73.90	Cash	Exercise of stock options	2,250 Equity Shares to Amika Sharma and 10,800 Equity Shares to Jairaj Singh	88,369,653	883,696,530
	2,450	10	80.80	Cash	Exercise of stock options	350 Equity Shares to Amika Singh and 2,100 Equity Shares to Jairaj Singh	88,372,103	883,721,030
	3,550	10	17.60	Cash	Exercise of stock options	970 Equity Shares to Amika Sharma and 2,580 Equity Shares to Jairaj Singh	88,375,653	883,756,530
	2,240	10	81.90	Cash	Exercise of stock options	240 Equity Shares to Amika Sharma and 2,000 Equity Shares to Jairaj Singh	88,377,893	883,778,930

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
	18,000	10	99.59	Cash	Exercise of stock options	Kushal Arora	88,395,893	883,958,930
	7,200	10	105.60	Cash	Exercise of stock options	Kushal Arora	88,403,093	884,030,930
	900	10	115.79	Cash	Exercise of stock options	Kushal Arora	88,403,993	884,039,930
	5,220	10	25.20	Cash	Exercise of stock options	Kushal Arora	88,409,213	884,092,130
	150	10	117.00	Cash	Exercise of stock options	Kushal Arora	88,409,363	884,093,630
March 25, 2013	2,180,400	10	243.00	Cash	Conversion of compulsory convertible debentures	APG	123,220,803	1,232,208,030
March 26, 2013	2,852,000	10	46.00	Cash	Preferential allotment	SMSPL	126,072,803	1,260,728,030
	49,040	10	100.00	Cash	Preferential allotment	SMSPL	126,121,843	1,261,218,430
	2,250	10	73.92	Cash	Exercise of stock options	Rakshit Sharma	126,124,093	1,261,240,930
	4,350	10	78.12	Cash	Exercise of stock options	Rakshit Sharma	126,128,443	1,261,284,430
	1,320	10	17.64	Cash	Exercise of stock options	Rakshit Sharma	126,129,763	1,261,297,630
	960	10	81.90	Cash	Exercise of stock options	Rakshit Sharma	126,130,723	1,261,307,230
	1,560	10	101.50	Cash	Exercise of stock options	300 Equity Shares to Rakshit Sharma and 1,260 Equity Shares to Rajiv Srivastava	126,132,283	1,261,322,830
	575	10	112.00	Cash	Exercise of stock options	75 Equity Shares to Rakshit Sharma and 500 Equity Shares to Rajiv Srivastava	126,132,858	1,261,328,580
March 30, 2013	1,002	10	52.00	Cash	Exercise of stock options	842 Equity Shares to Rakshit Sharma and 160 Equity Shares to Rajiv Srivastava	126,133,860	1,261,338,600
	650,000	10	46.00	Cash	Preferential allotment	SMSPL	126,783,860	1,267,838,600
April 25, 2013	279,751	10	100.00	Cash	Preferential allotment	SMSPL	127,063,611	1,270,636,110
	250,000	10	46.00	Cash	Preferential allotment	SMSPL	127,313,611	1,273,136,110
April 26, 2013	35,200	10	54.90	Cash	Exercise of stock options	Davander Singh	127,348,811	1,273,488,110
	8,000	10	78.10	Cash	Exercise of stock options	Rajiv Tyagi	127,356,811	1,273,568,110
	10,000	10	50.04	Cash	Exercise of stock options	Davander Singh	127,366,811	1,273,668,110
	94,500	10	73.90	Cash	Exercise of stock options	24,000 Equity Shares each to J.K. Chawla and Rahul Pandit, 16,000 Equity Shares to Aradhana Lal, 10,500 Equity Shares to Kapil Sharma, 8,000 Equity Shares to Cyrus Madan and 12,000 Equity Shares to Nikhil Sharma	127,461,311	1,274,613,110
	87,060	10	80.80	Cash	Exercise of stock options	21,700 Equity Shares each to J.K. Chawla and Rahul Pandit, 19,600 Equity Shares to Aradhana Lal, 8,560 Equity Shares to Kapil Sharma, 2,200 Equity Shares to Cyrus Madan, 8,400 Equity Shares to Nikhil Sharma and 4,900 Equity Shares to Rajiv Tyagi	127,548,371	1,275,483,710
	78,560	10	17.60	Cash	Exercise of stock options	17,040 Equity Shares to Davander Singh, 9,140 Equity Shares each to J.K. Chawla and Rahul Pandit, 17,120 Equity Shares to Aradhana Lal, 19,460 Equity Shares	127,626,931	1,276,269,310

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
April 29, 2013						to Kapil Sharma, 4,080 Equity Shares to Nikhil Sharma, 2,580 Equity Shares to Rajiv Tyagi		
	81,890	10	81.90	Cash	Exercise of stock options	20,250 Equity Shares each to J.K. Chawla, Kapil Sharma and Rahul Pandit, 10,250 Equity Shares to Aradhana Lal, 3,600 Equity Shares each to Cyrus Madan and Rajiv Tyagi, 3,690 Equity Shares to Nikhil Sharma	127,708,821	1,277,088,210
	99,000	10	52.00	Cash	Exercise of stock options	67,500 Equity Shares to Davander Singh and 31,500 Equity Shares to Kapil Sharma	127,807,821	1,278,078,210
	31,500	10	55.50	Cash	Exercise of stock options	Davander Singh	127,839,321	1,278,393,210
	39,500	10	101.50	Cash	Exercise of stock options	6,000 Equity Shares each to J.K. Chawla and Rahul Pandit, 10,000 Equity Shares each to Aradhana Lal and Kapil Sharma, 4,500 Equity Shares to Nikhil Sharma and 3,000 Equity Shares to Rajiv Tyagi	127,878,821	1,278,788,210
	48,400	10	112.00	Cash	Exercise of stock options	20,000 Equity Shares to Davander Singh, 4,500 Equity Shares each to J.K. Chawla and Rahul Pandit, 7,000 Equity Shares to Aradhana Lal, 10,000 Equity Shares to Kapil Sharma, 1,200 Equity Shares to Nikhil Sharma and 1,200 Equity Shares to Rajiv Tyagi	127,927,221	1,279,272,210
	58,000	10	32.50	Cash	Exercise of stock options	12,000 Equity Shares each to Davander Singh, J.K. Chawla, Rahul Pandit and Aradhana Lal, 4,000 Equity Shares to Nikhil Sharma and 6,000 Equity Shares to Rajiv Tyagi	127,985,221	1,279,852,210
	20,000	10	60.00	Cash	Exercise of stock options	Cyrus Madan	128,005,221	1,280,052,210
	15,000	10	68.00	Cash	Exercise of stock options	Cyrus Madan	128,020,221	1,280,202,210
	5,100	10	69.70	Cash	Exercise of stock options	2,200 Equity Shares to Narotam Singh, 2,150 Equity Shares to Bishnu Dutta and 750 Equity Shares to Krishnaswamy	128,025,321	1,280,253,210
	40,950	10	78.10	Cash	Exercise of stock options	7,200 Equity Shares to Rakesh Kumar, 2,400 Equity Shares each to Tarun Laxhanpal, Sunder Sesodia and Nitin Sharma, 4,800 Equity Shares to Kuldeep Singh, 2,250 Equity Shares to Mohinder Pal Singh, 6,000 Equity Shares to Kulwant Bhoosan, 2,250 Equity Shares each to Nishant Monga and Abdul Siddiqui, 3,000 Equity Shares to Kashif Aziz and 6,000 Equity Shares to Gulshan Kumar	128,066,271	1,280,662,710
	143,800	10	73.90	Cash	Exercise of stock options	Allotted to 30 persons pursuant to exercise of stock options	128,210,071	1,282,100,710

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
	97,488	10	80.80	Cash	Exercise of stock options	Allotted to 42 persons pursuant to exercise of stock options	128,307,559	1,283,075,590
	85,445	10	81.90	Cash	Exercise of stock options	Allotted to 43 persons pursuant to exercise of stock options	128,393,004	1,283,930,040
	65,040	10	101.50	Cash	Exercise of stock options	Allotted to 44 persons pursuant to exercise of stock options	128,458,044	1,284,580,440
	57,549	10	17.60	Cash	Exercise of stock options	Allotted to 46 persons pursuant to exercise of stock options	128,515,593	1,285,155,930
	22,425	10	112.00	Cash	Exercise of stock options	Allotted to 40 persons pursuant to exercise of stock options	128,538,018	1,285,380,180
	21,000	10	32.50	Cash	Exercise of stock options	6,000 Equity Shares each to Naresh Chander Malhotra and Sumant Jaidka, 1,000 Equity Shares to Vikramjit Singh, 4,000 Equity Shares to R. Hari, 2,000 Equity Shares to Sareena Kochar and 2,000 Equity Shares to Saket Puri	128,559,018	1,285,590,180
	4,200	10	60.00	Cash	Exercise of stock options	1,500 Equity Shares each to Ranjan Basu and Ajay Kanojia and 1,200 Equity Shares to Sandeep Gupta	128,563,218	1,285,632,180
	7,800	10	68.00	Cash	Exercise of stock options	2,000 Equity Shares to Ravi Dhankar, 1,500 Equity Shares to Ranjan Basu, 800 Equity Shares to Sandeep Gupta and 3,500 Equity Shares to Ajay Kanojia	128,571,018	1,285,710,180
September 25, 2013	1,850	10	81.90	Cash	Exercise of stock options	1,350 Equity Shares to Ashish Kumar and 500 Equity Shares to Bhushan Kumud	128,572,868	1,285,728,680
	750	10	101.50	Cash	Exercise of stock options	330 Equity Shares to Ashish Kumar and 420 Equity Shares to Bhushan Kumud	128,573,618	1,285,736,180
	220	10	112.00	Cash	Exercise of stock options	100 Equity Shares to Ashish Kumar and 120 Equity Shares to Bhushan Kumud	128,573,838	1,285,738,380
	2,585	10	52.00	Cash	Exercise of stock options	161 Equity Shares to Ashish Kumar, 462 Equity Shares to Bhushan Kumud, 1,450 Equity Shares to Saket Puri and 512 Equity Shares to Sandeep Gupta	128,576,423	1,285,764,230
	1,700	10	80.80	Cash	Exercise of stock options	Bhushan Kumud	128,578,123	1,285,781,230
	340	10	17.60	Cash	Exercise of stock options	Bhushan Kumud	12,857,463	1,285,784,630
	2,000	10	32.50	Cash	Exercise of stock options	Bhushan Kumud	128,580,463	1,285,804,630
November 26, 2013	880	10	52.00	Cash	Exercise of stock options	485 Equity Shares to Kishore Joshi and 395 Equity Shares to Manish Singh	128,581,343	1,285,813,430
	2,460	10	101.50	Cash	Exercise of stock options	Manish Singh	128,583,803	1,285,838,030
	1,200	10	112.00	Cash	Exercise of stock options	Manish Singh	128,585,003	1,285,850,030
	690	10	126.00	Cash	Exercise of stock options	Manish Singh	128,585,693	1,285,856,930

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
December 20, 2013	1,300	10	126.00	Cash	Exercise of stock options	Vikramjit Singh	128,586,993	1,285,869,930
	1,550	10	101.50	Cash	Exercise of stock options	Allotted to 18 persons pursuant to exercise of stock options	128,588,543	1,285,885,430
	1,530	10	81.90	Cash	Exercise of stock options	50 Equity Shares each to Avdesh Kumar, Jyotiba Gaikwad, Mohit Kumar, Parimal Ray and Vinayak Gaonkar. 200 Equity Shares each to Benishia Saldanha and Suneel Datt, 100 Equity Shares to Chandrashekara Bhat, 150 Equity Shares to Nityanad Bhadra, 130 Equity Shares to Pawan Kumar and 250 Equity Shares each to Prakash S. Jadhav and Rajesh Kumar Sinha	128,590,073	1,285,900,730
	4,281	10	80.80	Cash	Exercise of stock options	Allotted to 20 persons pursuant to exercise of stock options	128,594,354	1,285,943,540
	100	10	78.10	Cash	Exercise of stock options	Pawan Kumar	128,594,454	1,285,944,540
	1,667	10	73.90	Cash	Exercise of stock options	417 Equity Shares each to Mukesh Verma and Saurabh Gahoi and 833 Equity Shares to Naresh Malhotra	128,596,121	1,285,961,210
	3,650	10	52.00	Cash	Exercise of stock options	22 Equity Shares to Satish Kumar, 9 Equity Shares each to Alkesh Ashok Uttakar, Ajras Lakra, Dilip Boral, Kishor Parida, Vikas Padale and Vinayal Ghanekar, 318 Equity Shares to Rajat Sahni, 1,034 Equity Shares to Dipon Mukherjee, 2,011 Equity Shares to Vikramjit Singh and 211 Equity Shares to Nitin Sharma	128,599,771	1,285,997,710
	1,212	10	17.60	Cash	Exercise of stock options	Allotted to 24 persons pursuant to exercise of stock options	128,600,983	1,286,009,830
March 29, 2014	1,375	10	126.00	Cash	Exercise of stock options	Ashvin Iyengar	128,602,358	1,286,023,580
	1,110	10	112.00	Cash	Exercise of stock options	360 Equity Shares each to Prashant Pradhan and Gopakumar Puthezhathu, 300 Equity Shares to Rahul Jagiasi and 90 Equity Shares to Neeraj Varshney	128,603,468	1,286,034,680
	1,940	10	101.50	Cash	Exercise of stock options	100 Equity Shares each to Prashant Pradhan and Gopakumar Puthezhathu, 950 Equity Shares to Rahul Jagiasi, 460 Equity Shares to Abhilash and 330 Equity Shares to Neeraj Varshney	128,605,408	1,286,054,080
	6,270	10	81.90	Cash	Exercise of stock options	350 Equity Shares to Pran Nath Gupta, 460 Equity Shares each to Nelson Mantero and Nilesh Bharat, 400 Equity Shares each to Anderson Noronha and Neeraj Varshney, 1800 Equity Shares each to Sanjay Kumar and Milind Madhav and 600 Equity Shares to Rahul Jagiasi	128,611,678	1,286,116,780

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
	5,593	10	80.80	Cash	Exercise of stock options	59 Equity Shares each to Mukesh Verma and Saurabh Gahoi, 92 Equity Shares to Pran Nath Gupta, 1,183 Equity Shares to Anderson Noronha, 1,250 Equity Shares each to Sajjad Ahmad, 1,375 Equity Shares each to Nishikant Asthana and Ramesh Bhandari and 200 Equity Shares to Neeraj Varshney	128,617,271	1,286,172,710
	3,216	10	73.90	Cash	Exercise of stock options	1,608 Equity Shares each to Mukesh Verma and Saurabh Gahoi	128,620,487	1,286,204,870
	2,000	10	68.00	Cash	Exercise of stock options	Akash Bhatia	128,622,487	1,286,224,870
	2,833	10	52.00	Cash	Exercise of stock options	125 Equity Shares to Ashvin Iyengar, 40 Equity Shares each to Pran Nath Gupta, Nelson Mantero, Nilesh Gajare, Prashant Pradhan, Abhilash and Gopakumar Puthezhathu, 180 Equity Shares to Anderson Noronha, 200 Equity Shares each to Sanjay Kumar Das and Milind Madhav Hatvalne, 150 Equity Shares to Rahul S Jagiasi, 96 Equity Shares to Neeraj Varshney and 1,642 Equity Shares to Rakesh Kumar	128,625,320	1,286,253,200
	1,461	10	17.60	Cash	Exercise of stock options	333 Equity Shares each to Mukesh Verma and Saurabh Gahoi, 18 Equity Shares to Pran Nath Gupta, 237 Equity Shares to Anderson Noronha, 250 Equity Shares to Sajjad Ahmed, 125 Equity Shares each to Nishikant Asthana and Ramesh Bhandari and 40 Equity Shares to Neeraj Varshney	128,626,781	1,286,267,810
April 23, 2014	314,352	10	100.00	Cash	Preferential allotment	SMSPL	128,941,133	1,289,411,330
April 25, 2014	257,882,266	10	N.A.	N.A.	Bonus issue in the ratio of 2:1	163 shareholders of the Company, as on the record date	386,823,399	3,868,233,990
August 29, 2014	1,362,564	10	43.00	Cash	Preferential allotment	347,511 Equity Shares each to Sarthak Khattar and Pawan Arora and 667,542 Dr. Fresh Assets Limited	388,185,963	3,881,859,630
	81	10	17.33	Cash	Exercise of stock options	Ankur Sharma	388,186,044	3,881,860,440
	900	10	22.67	Cash	Exercise of stock options	Ankur Sharma	388,186,944	3,881,869,440
September 26, 2014	900	10	37.33	Cash	Exercise of stock options	Mohinder Pal Singh	388,187,844	3,881,878,440
	2,220	10	33.83	Cash	Exercise of stock options	1,320 Equity Shares to Mohinder Pal Singh, 300 Equity Shares to Pradeep Dahiya and 600 Equity Shares to Satish Kumar	388,190,064	3,881,900,640
	4,320	10	20.85	Cash	Exercise of stock options	Pradeep Dahiya	388,194,384	3,881,943,840
	2,712	10	17.33	Cash	Exercise of stock options	2,238 Equity Shares to Mohinder Pal Singh, 420 Equity Shares to Pradeep Dahiya and 54 Equity Shares to Satish Kumar	388,197,096	3,881,970,960

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
February 4, 2015	18,000	10	10.83	Cash	Exercise of stock options	Ranjan Basu	388,215,096	3,882,150,960
	14,655	10	17.33	Cash	Exercise of stock options	4,575 Equity Shares to Ranjan Basu, 1,413 Equity Shares to Mary Tep, 2,715 Equity Shares to Ashish Taru and 5,952 Equity Shares to Narender Chowdhry	388,229,751	3,882,297,510
	840	10	23.40	Cash	Exercise of stock options	Mary Tep	388,230,591	3,882,305,910
	750	10	27.30	Cash	Exercise of stock options	Mary Tep	388,231,341	3,882,313,410
	7,320	10	33.83	Cash	Exercise of stock options	1,200 Equity Shares to Mary Tep, 1,320 Equity Shares to Ashish Taru and 4,800 Equity Shares to Narender Chowdhry	388,238,661	3,882,386,610
	4,725	10	37.33	Cash	Exercise of stock options	1,350 Equity Shares to Mary Tep, 675 Equity Shares to Ashish Taru and 2,700 Equity Shares to Narender Chowdhry	388,243,386	3,882,433,860
March 7, 2015	388,243,386	10	N.A	N.A	Bonus issue in the ratio of 1:1	162 shareholders of the Company, as on the record date	776,486,772	7,764,867,720
April 29, 2015	105,408	10	10.00	Cash	Exercise of stock options	Davander Singh	776,592,180	7,765,921,800
	1,572	10	11.11	Cash	Exercise of stock options	Om Prakash	776,593,752	7,765,937,520
July 9, 2015	762	10	16.50	Cash	Exercise of stock options	Rahul Jagiasi	776,594,514	7,765,945,140
	33,054	10	15.30	Cash	Exercise of stock options	Joginder Singh	776,627,568	7,766,275,680
	5,316	10	14.40	Cash	Exercise of stock options	Rupesh Singh	77,663,2884	7,766,328,840
	4,584	10	14.30	Cash	Exercise of stock options	Richa Rana	776,637,468	7,766,374,680
Issue of Equity Shares in the last two years								
August 27, 2015	30,907	10	15.76	Cash	Exercise of stock options	Tarun Lakhnupal	776,668,375	7,766,683,750
	148,146	10	14.25	Cash	Exercise of stock options	Rahul Pandit	776,816,521	7,768,165,210
October 29, 2015	1,195,852	10	16.50	Cash	Preferential allotment	894,766 Equity Shares to SMSPL, 58,908 Equity Shares each to Pinky Pandit and Atul Bakshi, 39,270 Equity Shares each to Anoop Sharma and Raj Pal Gandhi, 23,562 Equity Shares to R.N. Sinha, 7,854 Equity Shares each to Sitesh Mukherjee and Gopika Chowfla, 32,730 Equity Shares to Alok Ranjan, 13,092 Equity Shares to Sunil Yadav and 19,638 Equity Shares to Rajesh Nahella	778,012,373	7,780,123,730
January 12, 2016	16,800	10	18.67	Cash	Exercise of stock options	Nikhil Sharma	778,029,173	7,780,291,730
	41,820	10	12.22	Cash	Exercise of stock options	Nikhil Sharma	778,070,993	7,780,709,930
	11,862	10	13.35	Cash	Exercise of stock options	Kulwant Bhooshan	778,082,855	7,780,828,550
March 28, 2016	19,308	10	13.05	Cash	Exercise of stock options	Sanjeev Sahni	778,102,163	7,781,021,630
June 21, 2016	300,000	10	21.50	Cash	Preferential Allotment	Mandira Kumar	778,402,163	7,784,021,630
	4,270	10	18.45	Cash	Exercise of stock options	Richa Khatter	778,406,433	7,784,064,330
	50,000	10	21.50	Cash	Exercise of stock options	Mahesh Sesha Aiyer	778,456,433	7,784,564,330

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
July 19, 2016	58,140	10	21.00	Cash	Exercise of stock options	Suman Singh	778,514,573	7,785,145,730
	17,670	10	14.70	Cash	Exercise of stock options	Nirmal Khandelwal	778,532,243	7,785,322,430
	8,838	10	15.20	Cash	Exercise of stock options	Pramod Kumar Mishra	778,541,081	7,785,410,810
Issue of Equity Shares in the last one year								
October 24, 2016	121,500	10	21.50	Cash	Exercise of stock options	15,000 Equity Shares to Rajeev Janveja, 37,000 Equity Shares to Vikramjit Singh, 25,000 Equity Shares to Davander Singh, 15,000 Equity Shares to Ritu Ranjan, 11,500 Equity Shares to Perkin Rocha, 12,000 Equity Shares to Zubbin Arora, 6,000 Equity Shares to Sukhbeen Singh Tara	778,662,581	7,786,625,810
	11,670	10	20.40	Cash	Exercise of stock options	Abhijeet Ausekar	778,674,251	7,786,742,510
	51,892	10	20.10	Cash	Exercise of stock options	15,362 Equity Shares to Devinder Kumar and 36,530 Equity Shares to Hemant Jaggi	778,726,143	7,787,826,140
	337,270	10	20.00	Cash	Exercise of stock options	Rattan Keswani	779,063,413	7,790,634,130
	13,900	10	19.50	Cash	Exercise of stock options	Praveen Kumar Agarwal	779,077,313	7,790,773,130
	141,442	10	19.10	Cash	Exercise of stock options	Inder Pal Batra	779,218,755	7,792,187,550
	102,462	10	18.30	Cash	Exercise of stock options	Rajesh Kumar	77,932,217	7,793,212,170
	27,376	10	18.10	Cash	Exercise of stock options	11,584 Equity Shares to Saravana Murugan P, 15,792 Equity Shares to Milind Hatvalne	779,348,593	7,793,485,930
	17,556	10	17.90	Cash	Exercise of stock options	Anderson Noronha	779,366,149	7,793,661,490
	90,274	10	17.70	Cash	Exercise of stock options	72,690 Equity Shares to Sareena Kochar and 17,584 Equity Shares to Budhi Tamang	779,456,423	7,794,564,230
	16,708	10	17.60	Cash	Exercise of stock options	Nitin Sharma	779,473,131	7,794,731,310
	21,474	10	17.50	Cash	Exercise of stock options	Narotam Singh	779,494,605	7,794,946,050
	48,158	10	17.40	Cash	Exercise of stock options	17,784 Equity Shares to Gyanendra Singh, 17,312 Equity Shares to Pran Gupta and 13,062 Equity Shares to Nelson Mantero	779,542,763	7,795,427,630
	45,602	10	17.30	Cash	Exercise of stock options	31,656 Equity Shares to Prashant Mehrotra and 13,946 Equity Shares to Manoj Mathew	779,588,365	7,795,883,650
	61,804	10	17.20	Cash	Exercise of stock options	26,586 Equity Shares to Naresh Kumar, 24,526 Equity Shares to Saurabh Gahoi and 10,692 Equity Shares to Sandeep Sapru	779,650,169	7,796,501,690
	12,066	10	17.10	Cash	Exercise of stock options	Kashif Aziz	779,662,235	7,796,622,350
	11,126	10	17.00	Cash	Exercise of stock options	Nilesh Bharat Gajare	779,673,361	7,796,733,610
	18,114	10	16.60	Cash	Exercise of stock options	Nishant Monga	779,691,475	7,796,914,750
	50,998	10	16.40	Cash	Exercise of stock options	26,278 Equity Shares to Kuntal Vegad and 24,720 Equity Shares to Kuldeep Singh	779,742,473	7,797,424,730
	96,748	10	16.30	Cash	Exercise of stock options	38,670 Equity Shares to Rajpal Singh, 23,014 Equity	779,839,221	7,798,392,210

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
						Shares to Mukesh Verma, 12,754 Equity Shares to Mustajab Haider, 11,348 Equity Shares to Amit Pundir and 10,962 Equity Shares to Nilesh Zade		
	88,670	10	16.20	Cash	Exercise of stock options	76,870 Equity Shares to Ajai Kumar and 11,800 Equity Shares to Rupesh Singh	779,927,891	7,799,278,910
	81,882	10	16.00	Cash	Exercise of stock options	68,702 Equity Shares to Sumant Jaidka and 13,180 Equity Shares to Sunder Singh Sesodia	780,009,773	7,800,097,730
	12,406	10	15.80	Cash	Exercise of stock options	Syed Murtaza Haider	780,022,179	7,800,221,790
	14,746	10	15.70	Cash	Exercise of stock options	Manoj Panchal	780,036,925	7,800,369,250
	23,638	10	15.60	Cash	Exercise of stock options	Shubhanshu Sharma	780,060,563	7,800,605,630
	31,252	10	15.50	Cash	Exercise of stock options	Santosh Kumar Nayak	780,091,815	7,800,918,150
	10,800	10	15.40	Cash	Exercise of stock options	Shahnawaz Khan	780,102,615	7,801,026,150
	10,350	10	15.20	Cash	Exercise of stock options	Saurabh Suman	780,112,965	7,801,129,650
	39,416	10	15.10	Cash	Exercise of stock options	Kumar Sambhav Nagar	780,152,381	7,801,523,810
	11,000	10	15.00	Cash	Exercise of stock options	Umesh Shripad Chandratre	780,163,381	7,801,633,810
	24,180	10	14.90	Cash	Exercise of stock options	12,610 Equity Shares to Abdul Haq Siddiqui and 11,570 Equity Shares to Sajjad Ahmed	780,187,561	7,801,875,610
	50,588	10	14.80	Cash	Exercise of stock options	Rajiv Tyagi	780,238,149	7,802,381,490
	186,034	10	14.70	Cash	Exercise of stock options	158,140 Equity Shares to J. K. Chawla, 27,894 Equity Shares to Abhishek Bairagi	780,424,183	7,804,241,830
	50,624	10	14.60	Cash	Exercise of stock options	25,794 Equity Shares to Ramesh Bhandari and 24,830 Equity Shares to Natrayan	780,474,807	7,804,748,070
	30,672	10	14.50	Cash	Exercise of stock options	Kamal Kumar	780,505,479	7,805,054,790
	26,476	10	14.30	Cash	Exercise of stock options	Nishi Kant Asthana	780,531,955	7,805,319,550
	23,600	10	14.10	Cash	Exercise of stock options	Kundal Kumar Jha	780,555,555	7,805,555,550
	26,932	10	13.90	Cash	Exercise of stock options	Ashok Kumar	780,582,487	7,805,824,870
	20,900	10	13.80	Cash	Exercise of stock options	Virender Pratap Singh	780,603,387	7,806,033,870
	22,408	10	13.70	Cash	Exercise of stock options	Krishan Kant	780,625,795	7,806,257,950
	22,402	10	13.50	Cash	Exercise of stock options	Sailesh Kumar Mishra	780,648,197	7,806,481,970
	20,300	10	13.30	Cash	Exercise of stock options	Jitender Panwar	780,668,497	7,806,684,970
	25,782	10	13.29	Cash	Exercise of stock options	Suman Singh	780,694,279	7,806,942,790
	23,130	10	13.20	Cash	Exercise of stock options	Akash Bhatia	780,717,409	7,807,174,090
	25,706	10	12.80	Cash	Exercise of stock options	Sarin Varghese	780,743,115	7,807,431,150
	248,488	10	12.10	Cash	Exercise of stock options	224,150 Equity Shares to Kapil Sharma, 24,338 Equity Shares to Vivek Kumar	780,991,603	7,809,916,030
	282,462	10	10.00	Cash	Exercise of stock options	186,228 Equity Shares to Cyrus Madan, 50,166 Equity Shares to Aradhana Lal and 46,068 Equity Shares to Ajay Kanojia	781,274,065	7,812,740,650

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
July 5, 2017	5,210	10	10.57	Cash	Exercise of stock options	Bhishnu Pada Dutta	781,279,275	7,812,792,750
	12,940	10	13.97	Cash	Exercise of stock options	Davender Kapoor	781,292,215	7,812,922,150
	68,020	10	14.24	Cash	Exercise of stock options	Naresh Chander Malhotra	781,360,235	7,813,602,350
	4,370	10	14.28	Cash	Exercise of stock options	Dharmanand Sharma	781,364,605	7,813,646,050
	46,280	10	14.81	Cash	Exercise of stock options	R Hari	781,410,885	7,814,108,850
	5,560	10	15.01	Cash	Exercise of stock options	Sudarshan Ryakhawar	781,416,445	7,814,164,450
	2,940	10	15.24	Cash	Exercise of stock options	980 Equity Shares each to Pradyumna Swain, Sanjay Rathod and S.P. Sonawane	781,419,385	7,814,193,850
	9,490	10	15.27	Cash	Exercise of stock options	Rakjumar Gupta	781,428,875	7,814,288,750
	7,340	10	15.51	Cash	Exercise of stock options	Rajesh Kumar Sinha	781,436,215	7,814,362,150
	9,820	10	15.89	Cash	Exercise of stock options	Zahir Hussain	781,446,035	7,814,460,350
	680	10	15.94	Cash	Exercise of stock options	Avdesh Kumar	781,446,715	7,814,467,150
	2,350	10	16.04	Cash	Exercise of stock options	Mohit Kumar	781,449,065	7,814,490,650
	6,270	10	16.08	Cash	Exercise of stock options	Biplab Kumar Bera	781,455,335	7,814,553,350
	2,950	10	16.22	Cash	Exercise of stock options	S.S. Bagul	781,458,285	7,814,582,850
	5,240	10	16.23	Cash	Exercise of stock options	2,620 Equity Shares each to Subhash Ganpatrao Mankape and Pitambar Bawaskar	781,463,525	7,814,635,250
	11,760	10	16.24	Cash	Exercise of stock options	980 Equity Shares each to Mohammed Taheeruddin, Madanlal Bharadwaj, Ganesh Ratan, Sunil Jadhav, Sanjay Bhalerao, Jagdish Thosar, Ramesh Disagaj, Vishnudas V M, Vishal Billore, Raju Nagvanshi, Ali Hussain, Sanjay Majhi	781,475,285	7,814,752,850
	1,640	10	16.26	Cash	Exercise of stock options	Dharmendra Musle	781,476,925	7,814,769,250
	57,850	10	16.28	Cash	Exercise of stock options	Allotted to 89 persons pursuant to exercise of stock options	781,534,775	7,815,347,750
	1,960	10	16.29	Cash	Exercise of stock options	Satyaprakash Mishra	781,536,735	7,815,367,350
	3,630	10	16.46	Cash	Exercise of stock options	Md. Quasim	781,540,365	7,815,403,650
	2,670	10	16.48	Cash	Exercise of stock options	Sanjeev Kumar	781,543,035	7,815,430,350
	3,600	10	16.52	Cash	Exercise of stock options	Dileep H	781,546,635	7,815,466,350
	10,140	10	16.56	Cash	Exercise of stock options	6,870 Equity Shares to J. Sandip and 3,270 Equity Shares to Madhu N	781,556,775	7,815,567,750
	11,510	10	16.64	Cash	Exercise of stock options	Himanshu Palei	781,568,285	7,815,682,850
	5,240	10	16.73	Cash	Exercise of stock options	Sachin Ghodgaonkar	781,573,525	7,815,735,250
	1,640	10	16.85	Cash	Exercise of stock options	Sunil Narwariya	781,575,165	7,815,751,650
	3,930	10	17.02	Cash	Exercise of stock options	1,310 Equity Shares each to Vijay Prakash, Gaurav Khanna and Inder Singh Bisht	781,579,095	7,815,790,950
	7,270	10	17.21	Cash	Exercise of stock options	Anjali Rai	781,586,365	7,815,863,650
	10,530	10	17.23	Cash	Exercise of stock options	Shweta Gokulashtami	781,596,895	7,815,968,950

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
	22,100	10	17.26	Cash	Exercise of stock options	5,260 Equity Shares to Prakash Jadhav and 16,840 Equity Shares to Gulshan Kumar	781,618,995	7,816,189,950
	1,910	10	17.37	Cash	Exercise of stock options	Vinay Das	781,620,905	7,816,209,050
	11,590	10	17.41	Cash	Exercise of stock options	Pawan Kumar	781,632,495	7,816,324,950
	2,970	10	17.45	Cash	Exercise of stock options	Manoj Kumar	781,635,465	7,816,354,650
	4,530	10	17.76	Cash	Exercise of stock options	Prem Subedi	781,639,995	7,816,399,950
	8,070	10	17.83	Cash	Exercise of stock options	Sunil Dutt	781,648,065	7,816,480,650
	8,970	10	17.89	Cash	Exercise of stock options	Nityanand Bhadra	781,657,035	7,816,570,350
	9,220	10	18.02	Cash	Exercise of stock options	Santraj Anthony	781,666,255	7,816,662,550
	3,870	10	18.03	Cash	Exercise of stock options	Anit Rawat	781,670,125	7,816,701,250
	3,220	10	18.06	Cash	Exercise of stock options	Prem Mahaveer	781,673,345	7,816,733,450
	7,490	10	18.13	Cash	Exercise of stock options	Surinder Panchal	781,680,835	7,816,808,350
	9,220	10	18.23	Cash	Exercise of stock options	Surendra Bisht	781,690,055	7,816,900,550
	12,100	10	18.24	Cash	Exercise of stock options	2,890 Equity Shares each to Sanjeev Pahuja and Shiby Varghese and 1,580 Equity Shares each to Gajendra Pal Singh, Anil Tomar, Parsann Narayan and Maruti Gadiwan	781,702,155	7,817,021,550
	1,910	10	18.43	Cash	Exercise of stock options	Farid Sheikh	781,704,065	7,817,040,650
	8,240	10	18.46	Cash	Exercise of stock options	Saravanan. M	781,712,305	7,817,123,050
	2,840	10	18.47	Cash	Exercise of stock options	Sandip Tamang	781,715,145	7,817,151,450
	7,910	10	18.56	Cash	Exercise of stock options	Arun S Y	781,723,055	7,817,230,550
	20,000	10	18.78	Cash	Exercise of stock options	Allotted to 16 persons pursuant to exercise of stock options.	781,743,055	7,817,430,550
	5,680	10	18.82	Cash	Exercise of stock options	2,840 Equity Shares each to Devendra Kumar and Anil Namdeo	781,748,735	7,817,487,350
	980	10	19.04	Cash	Exercise of stock options	Jyotiba Lahu Gaikwad	781,749,715	7,817,497,150
	2,180	10	19.14	Cash	Exercise of stock options	Rajeev Kumar	781,751,895	7,817,518,950
	4,040	10	19.37	Cash	Exercise of stock options	Nanhe B Patel	781,755,935	7,817,559,350
	11,840	10	19.39	Cash	Exercise of stock options	Lakshmi Narayanan R N	781,767,775	7,817,677,750
	7,830	10	19.52	Cash	Exercise of stock options	Vikramjit Singh Ahluwalia	781,775,605	7,817,756,050
	4,040	10	19.61	Cash	Exercise of stock options	Ramesh Sendhev	781,779,645	7,817,796,450
	14,800	10	19.66	Cash	Exercise of stock options	1,850 Equity Shares each to Varun Sharma, Sandeep Upadhyay, Sathesh M, Dhanesh Kandolkar, Saurabh Saxena, Aviiir Anand, Jai Prakash and Sugumar D	781,794,445	7,817,944,450
	5,290	10	19.72	Cash	Exercise of stock options	Anil Kumar R	781,799,735	7,817,997,350
	11,180	10	19.81	Cash	Exercise of stock options	5,590 Equity Shares each to Sujadh Khyser Khan and Sohail Khan	781,810,915	7,818,109,150

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Name of the Allottee	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
	4,640	10	19.86	Cash	Exercise of stock options	Ashok Kumar	781,815,555	7,818,155,550
	11,130	10	19.92	Cash	Exercise of stock options	3,710 Equity Shares each to Manoj Agarwal, Selvam A. and Santosh Jagannath Makar	781,826,685	7,818,266,850
	3,380	10	19.98	Cash	Exercise of stock options	Pritam Kumar Manna	781,830,065	7,818,300,650
	6,490	10	20.05	Cash	Exercise of stock options	Shailendra Kumar	781,836,555	7,818,365,550
	12,930	10	20.14	Cash	Exercise of stock options	4,310 Equity Shares each to Cheluvvaraju. C, Kannan Munduchira Vasu and Bharat Chandara Sahoo	781,849,485	7,818,494,850
	1,550	10	20.19	Cash	Exercise of stock options	Rajendra Chimote	781,851,035	7,818,510,350
	6,440	10	20.32	Cash	Exercise of stock options	G. Balasubramanian	781,857,475	7,818,574,750
	9,220	10	20.34	Cash	Exercise of stock options	Anirudh Chaudhary	781,866,695	7,818,666,950
	19,660	10	20.36	Cash	Exercise of stock options	11,370 Equity Shares to Saroj Kumar Mishra and 8,290 Equity Shares to Ramchandra Deshmukh.	781,886,355	7,818,863,550
	3,050	10	20.39	Cash	Exercise of stock options	K. Srinivas	781,889,405	7,818,894,050
	9,190	10	20.47	Cash	Exercise of stock options	Ankit Upreti	781,898,595	7,818,985,950
	12,870	10	20.49	Cash	Exercise of stock options	Bipendra Gupta	781,911,465	7,819,114,650
	3,650	10	20.57	Cash	Exercise of stock options	Prateek Kumar	781,915,115	7,819,151,150
	12,630	10	21.22	Cash	Exercise of stock options	Gopakumar Puthezhathu Sukumarhpanicker	781,927,745	7,819,277,450
	12,850	10	21.43	Cash	Exercise of stock options	Mukesh Verma	781,940,595	7,819,405,950
	16,470	10	21.44	Cash	Exercise of stock options	Prashant Pradhan	781,957,065	7,819,570,650
	1,635,370	10	21.50	Cash	Exercise of stock options	Allotted to 260 employees pursuant to exercise of stock options	783,592,435	7,835,924,350
September 6, 2017	2,820,248	10	21.50	Cash	Preferential allotment	2,714,056 Equity Shares to Patanjali Govind Keswani and 106,192 Equity Shares to HeadStart Institute Private Limited (“HeadStart”)	786,412,683	7,864,126,830
Total							786,412,683	7,864,126,830

*These Equity Shares were partly paid at the time of allotment and were subsequently made fully paid up.

**We have not been able to trace the Form 2 filed with the RoC pursuant to this allotment and have relied upon other documents, such as Board resolutions for the allotment and statutory registers of the Company to verify details of this allotment. See “Risk Factors – Some of our corporate records are not traceable” on page 34.

(b) **History of preference share capital of our Company**

Date of allotment	Number of Preference Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for/ Nature of allotment	Cumulative number of preference shares	Cumulative paid-up Preference Share capital (₹)
December 9, 2003	100,000	100.00	100.00	Cash	Further issue ⁽¹⁾	100,000 ⁽¹⁾	10,000,000
May 28, 2008	45,000	100.00	N.A.	Other than cash	Allotment pursuant to merger of Muskan and Tangerine with our Company. For details, see “ History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc. ” on page 170 ⁽²⁾	145,000 ⁽²⁾	14,500,000
Total	Nil					Nil	Nil

⁽¹⁾ Allotment of 100,000 5% cumulative redeemable preference shares to Dianmo Holdings Limited, which were redeemed on August 5, 2005.

⁽²⁾ Allotment of 45,000 5% cumulative redeemable preference shares to Sand Investments Limited, which were redeemed on January 21, 2012.

2. **Equity Shares issued for consideration other than cash**

Except as detailed below, no Equity Shares have been issued for consideration other than cash.

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Benefits accrued to the Company
March 21, 2007	22,920,000	10.00	N.A.	Pursuant to merger of Winsome with our Company.*	Merger with Winsome.
May 28, 2008	2,431,553	10.00	N.A.	Pursuant to merger of Muskan and Tangerine with our Company.*	Merger with Muskan and Tangerine.
February 4, 2013	32,486,000	10.00	N.A.	Pursuant to merger of Spank Hotels with our Company.*	Merger with Spank Hotels

* For details of merger, see “**History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.**” on page 170.

Further, our Company has issued bonus shares on April 22, 2006, April 25, 2014 and March 7, 2015. For further details, see “**Notes to Capital Structure – Share Capital History**” on page 72.

3. **Issue of Equity Shares in the last one year**

Except as set forth in “- **History of equity share capital of our Company**” on page 72, our Company has not issued Equity Shares in one year immediately preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not issued any Equity Shares out of revaluation reserves since incorporation.

4. **Employee Stock Option Scheme**

ESOP – 2005

Pursuant to a resolution of our Board dated September 22, 2005, and shareholders’ resolution dated November 15, 2005, our Company had instituted an employee stock option plan, ESOP - 2005. Pursuant to a resolution passed by our shareholders on August 25, 2006, ESOP – 2005 was absorbed into ESOP – 2006 and no fresh grant of options were to be made under ESOP – 2005. As on the date of this Draft Red Herring Prospectus, all options granted by our Company under the ESOP - 2005 have either been exercised or have lapsed and there are no outstanding options under the ESOP - 2005.

ESOP – 2006

Pursuant to a resolution of our Board of Directors dated July 18, 2006 and shareholders' resolution dated August 25, 2006, our Company has instituted an employee stock option plan, ESOP - 2006, which was amended pursuant to resolutions of our Board of Directors dated February 19, 2015 and July 29, 2017 and resolutions of our shareholders dated February 26, 2015 and August 21, 2017. Pursuant to a trust deed dated March 16, 2007, as amended by an amendment agreement dated September 1, 2017, a trust by the name "Krizm Hotels Private Limited Employees Welfare Trust" ("ESOP Trust") has been set up in connection with the implementation of ESOP – 2006. The current trustees of the ESOP Trust are Mr. Vikramjit Singh, Ms. Aradhana Lal and Mr. Rajiv Tyagi. The ESOP Trust has been set up to facilitate financing for the exercise of options by eligible employees, in accordance with the terms of ESOP – 2006. When an employee proposes to exercise any stock options, the Company provides a loan to the ESOP Trust, which in turn provides a loan to such employee by way of payment of the exercise price to the Company. In such cases, the ESOP Trust holds the shares allotted to the employees pursuant to such exercise, as security for the loan granted to the employees by the ESOP Trust. An employee is required to repay such loan granted by the ESOP Trust when such employee makes a sale of the Equity Shares held or at the time that his/her employment with the Company ceases, and the ESOP Trust in turn repays the corresponding loan granted by the Company to the ESOP Trust. However, in certain instances, employees have chosen to not repay the loan at the time of cessation of their employment with the Company and in such cases, the relevant Equity Shares have been transferred to the ESOP Trust. Further, from time to time, employees are offered an exit by Mr. Patanjali Govind Keswani at a mutually agreed price.

ESOP-2006 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Details pertaining to the ESOP - 2006:

Particulars	Details			
	Fiscal 2015	Fiscal 2016	Fiscal 2017	April 1, 2017 to August 31, 2017
Total options outstanding as at the beginning of the period	710,494	3,456,282	11,069,974	7,814,678
Increase in number of options granted on account of bonus	3,495,047*	Nil	Nil	Nil
	* During the year ended March 31, 2015, the Company issued Equity Shares twice, as bonus issues, in the proportion of two Equity Shares for every one fully paid-up Equity Share and one Equity Share for every one fully paid-up Equity Share, respectively. Consequently, in accordance with the terms of ESOP – 2006, the number of granted but unvested options as on the balance sheet date has been accordingly increased and weighted average exercise price has been accordingly decreased.			
Total options granted	Nil	8,205,000	Nil	Nil
Vesting period	N.A.	Date of Vesting	% of options vesting	N.A.
		April 1, 2016	10%	
		April 1, 2017	20%	
		April 1, 2018	30%	
		April 1, 2019	40%	
Pricing formula	At a price as recommended by the Board of Directors and approved by Shareholders.			
Exercise price of options in ₹ (as on the date of grant of options)**	N.A.	21.50	N.A.	N.A.
Total options vested (excluding the options that have been exercised)	2,071,607	3,685,476	2,341,593	10,625
Options exercised	57,423	419,539	2,871,902	2,318,370
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	57,423	419,539	2,871,902	2,318,370
Options forfeited/lapsed/cancelled	691,836	171,769	383,394	12,595
Variation of terms of options	None	None	None	None
Money realized by exercise of options	1,180,738	5,565,752	46,332,502	47,106,105
Total number of options outstanding in force	3,456,282	11,069,974	7,814,678	5,483,713

Employee wise details of options granted to: (i) Directors/ Senior management personnel	Options			
	Name of employee	Options		
		Granted	Exercised	Outstanding
	Rattan Keswani	427,270	357,270	70,000
	Davander Tomar	2,249,634	2,074,640	174,994
	Kapil Sharma	1,494,014	1,354,014	140,000
	Vikramjit Singh*	1,049,766	492,334	440,000
(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	Jagdish Kumar Chawla	1,591,740	1,521,740	70,000
	<i>*117,432 options lapsed</i>			
	Name of employee (Year of Grant)	Options		
		Granted (as on the date of grant)	Exercised	Outstanding
	Rattan Keswani (2012)	54,545	54,545	Nil
	Davander Tomar (2007, 2009 and 2011)	149,000	149,000	Nil
	Jagdish Kumar Chawla (2007, 2008, 2009 and 2011)	173,050	173,050	Nil
	Aradhana Lal (2009)	64,950	64,950	Nil
	Kapil Sharma (2009)	51,550	51,550	Nil
	Cyrus Madan (2012)	66,773	66,773	Nil
	Rajiv Tyagi (2007)	27,000	27,000	Nil
	Vikramjit Singh (2013)	628,570	188,571	440,000
	Raj Rao (2010)	20,100	Nil	Nil
	Sareena Kochar (2007)	18,000	18,000	Nil
	Saurabh Nandi (2012)	76,364	Nil	Nil
	Mohit Chobey (2012)	54,545	Nil	Nil
	Sanjay Kaw (2007)	27,000	Nil	Nil
	Kushal Arora (2007)	18,000	18,000	Nil
	Saket Puri (2007)	18,000	18,000	Nil
	Rahul Pandit (2007, 2008, 2009 and 2011)	171,550	171,550	Nil
(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			
Lock-in	N.A.			
Fully diluted earnings per share pursuant to issue of equity shares on a pre-offer basis on exercise of options in accordance with IND AS 33 'Earning Per Share'	The reported diluted earnings per equity share calculated in accordance with relevant accounting standards is as follows:			
	Particulars	March 31, 2015	March 31, 2016	March 31, 2017
	Reported Diluted EPS as per Standalone Restated Financial Information [#]	(0.01)	(0.21)	0.07
	Reported Diluted EPS as per Consolidated Restated Financial Information [#]	(0.81)	(0.38)	(0.09)
	<i>[#]The options being anti-dilutive, are ignored in the calculation of diluted EPS.</i>			
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact of this difference on the profits of the Company and on the earnings per share of the Company	Not applicable. The Company has calculated the employee compensation cost using the fair value of stock options (based on Black Scholes valuation model).			

Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Fiscal	Weighted average exercise price as on the date of grant	Weighted average fair value as on the date of grant	
	March 31, 2015	Not applicable as no options were granted during the year		
	March 31, 2016	21.50	4.78	
	March 31, 2017	Not applicable as no options were granted during the year		
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 market at the time of grant of the option	Particulars	March 31, 2015	March 31, 2016	March 31, 2017
	Weighted average share price	Not applicable as no options were granted during the year	16.50	Not applicable as no options were granted during the year
	Exercise Price		21.50	
	Volatility		10%	
	Life of the options granted in years		8	
	Average risk-free interest rate		7.99%	
Intention of the 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	Employees may sell the Equity Shares received on exercise of options within three months of listing of the Equity Shares on the Stock Exchanges except to the extent of any Equity Shares locked-in post the Offer under applicable law.			
Intention to sell Equity Shares arising out of the ESOP-2006 within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOP-2006, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not applicable			
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed, in respect of options granted in the last three years.	Employee stock options granted is accounted under the “Fair Value” as per Ind AS 102 ‘share based payments’, notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The same is in accordance with the SEBI ESOP Regulations.			
	Fiscal	Effect on Profits	Effect on EPS	
	March 31, 2015	No impact since the Company has not adopted intrinsic valuation		
	March 31, 2016			
	March 31, 2017			

****The exercise prices have been determined at the time of grant of the options based on differing factors, from time to time. In respect of grant of ESOPs, prior to September 2006, the exercise price was determined on an ad-hoc basis by the Managing Director of our Company. Between September 2006 and April 2008, the exercise price was determined based on a 20% discount to the price at which a strategic investor had made investments in the Company in the year 2006 in accordance with the agreed terms of the investment agreements entered into with such investor. Effective from January 2009, the exercise price was based on the price at which Equity Shares were issued to other shareholders, or as determined by the Board of Directors. Further, discounts of 10% and 30% on the exercise price for all outstanding options were given in September 2009 and January 2012, respectively. In accordance with the terms of grant, the exercise price (and the number of Equity Shares to be allotted upon exercise) determined at the time of grant of options has also been subject to certain event-based adjustments, including on corporate actions by the Company (such as bonus issues).**

The cost of ESOP options is determined by the fair value at the date of the grant using Black Scholes valuation model. The cost of ESOP options is recognised over the vesting period. The expense recognised for a period represents the movement in cumulative expense recognised for the period due to expiry of vesting period and change in number of options estimated by the entity that are mostly likely to vest.

For Fiscals 2016 and 2017, Company has incurred ₹ 14.87 million and ₹ 11.41 million respectively as expense in share-based payments to employees. For the outstanding ESOP options, there will additional expenses that will be recognised as employee benefits expense based on the exercise price, remaining contractual life and fair value of options granted using Black Scholes model.”

5. History of Build-up, Contribution and Lock-in of Promoters’ Shareholding

(a) Build-up of Promoters’ shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 184,784,311 Equity Shares, which constitutes 23.49% of the issued, subscribed and paid-up equity share capital of our Company as on the date of this Draft Red Herring Prospectus. Further, upon the completion of the Proposed Amalgamation, the aggregate shareholding of our Promoters will be 220,169,013 Equity Shares, constituting 28% of our pre-Offer (post Proposed Amalgamation) Equity Share capital.

Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company.

Date of allotment/ transfer	No. of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per Equity Share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
(A) Mr. Patanjali Govind Keswani							
October 7, 2002	450,000	100	100.00	Cash	Further issue	0.06	0.06
April 22, 2006	900,000	10	-	N.A.	Bonus issue of two shares for every one equity share held	0.11	0.11
September 11, 2006	(450,000)	10	138.33	Cash	Transfer to Maplewood	(0.06)	(0.06)
May 28, 2008	57	10	N.A.	Other than cash	Allotment pursuant to merger of Muskan and Tangerine with our Company. For details, see “ <i>History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.</i> ” on page 170	Negligible	Negligible
December 24, 2008	66,002	10	N.A.	N.A.	Gift from Sharanita Keswani	0.01	0.01
October 7, 2010	5,560	10	100.00	Cash	Acquisition from Vijay Handa	Negligible	Negligible
March 8, 2011	240	10	200.00	Cash	Acquisition from Anjali Rai	Negligible	Negligible
May 13, 2011	5,000	10	150.00	Cash	Acquisition from Saket Puri	Negligible	Negligible
September 16, 2011	350	10	220.00	Cash	Acquisition from Rahul Sharma	Negligible	Negligible
December 14, 2011	875	10	200.00	Cash	Acquisition from Perkin Rocha	Negligible	Negligible
March 30, 2012	130,000	10	100.00	Cash	Acquisition from Anuradha Duggal	0.02	0.02
	3,640	10	100.00	Cash	Acquisition from Shamsher Singh	Negligible	Negligible
August 14, 2012	4,000	10	110.00	Cash	Acquisition from Nitin Sharma	Negligible	Negligible
December 12, 2012	22,822	10	100.00	Cash	Acquisition from Jai Singh	Negligible	Negligible
February 4, 2013	25,103	10	100.00	Cash	Acquisition from Jai Singh	Negligible	Negligible
	24,000	10	125.00	Cash	Acquisition from Kushal Arora	Negligible	Negligible
	6,205	10	100.00	Cash	Acquisition from Amika Kapoor	Negligible	Negligible
March 14, 2013	20,000	10	125.00	Cash	Acquisition from Abhijeet Shrivastava	Negligible	Negligible
March 26, 2013	10,097	10	125.00	Cash	Acquisition from Rakshit Sharma	Negligible	Negligible

Date of allotment/ transfer	No. of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per Equity Share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
September 25, 2013	7,470	10	100.00	Cash	Acquisition from Kushal Arora	Negligible	Negligible
	33,210	10	130.00	Cash	Acquisition from Saket Puri	Negligible	Negligible
	6,152	10	130.00	Cash	Acquisition from Sandeep Gupta	Negligible	Negligible
November 26, 2013	5,825	10	110.00	Cash	Acquisition from Kishore Joshi	Negligible	Negligible
	4,745	10	135.00	Cash	Acquisition from Manish Singh	Negligible	Negligible
	250,000	10	100.00	Cash	Acquisition from Five Star	0.03	0.03
February 1, 2014	(10,000)	10	105.00	Cash	Transfer to Kirti Jain	Negligible	Negligible
	2,000	10	104.13	Cash	Acquisition from Rajat Sahni	Negligible	Negligible
	25,800	10	120.00	Cash	Acquisition from Vikramjit Singh	Negligible	Negligible
	2,600	10	120.00	Cash	Acquisition from Dipon Mukherjee	Negligible	Negligible
March 29, 2014	1,156	10	120.00	Cash	Acquisition from Neeraj Varshney	Negligible	Negligible
	35,455	10	125.00	Cash	Acquisition from Rakesh Kumar	Negligible	Negligible
April 22, 2014	(1,103,821)	10	195.00	Cash	Transfer to APG	(0.14)	(0.14)
April 25, 2014	969,086	10	-	N.A.	Bonus issue of two Equity Shares for every one Equity Share held	0.12	0.12
June 5, 2014	(447,932)	10	65.00	Cash	Transfer to APG	(0.06)	(0.06)
June 10, 2014	19,380	10	45	Cash	Acquisition from Mohinder Singh	Negligible	Negligible
September 26, 2014	4,458	10	45.00	Cash	Acquisition from Mohinder Singh	Negligible	Negligible
February 4, 2015	24,840	10	43.00	Cash	Acquisition from Ranjan Basu	Negligible	Negligible
February 27, 2015	69,651	10	43.00	Cash	Acquisition from Abhijeet Srivastava	0.01	0.01
	2,454	10	43.00	Cash	Acquisition from Shaleen Mathur	Negligible	Negligible
March 7, 2015	1,126,480	10	N.A.	N.A.	Bonus issue of one Equity Share for every one Equity Share held	0.14	0.14
June 19, 2015	(525,000)	10	37.50	Cash	Transfer to APG	(0.07)	(0.07)
July 9, 2015	4,584	10	21.50	Cash	Acquisition from Richa Rana	Negligible	Negligible
	50,424	10	21.50	Cash	Acquisition from Dipon Mukherjee	Negligible	Negligible
October 29, 2015	22,500	10	21.50	Cash	Acquisition from Vikramjit Singh	Negligible	Negligible
August 22, 2016	1,806	10	21.50	Cash	Acquisition from Anil Gurung	Negligible	Negligible

Date of allotment/ transfer	No. of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per Equity Share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
	58,140	10	21.50	Cash	Acquisition from Suman Singh	0.01	0.01
	17,670	10	21.50	Cash	Acquisition from Nirmal Khandelwal	Negligible	Negligible
	8,838	10	21.50	Cash	Acquisition from Pramod Kumar Mishra	Negligible	Negligible
March 31, 2017	25,706	10	33.00	Cash	Acquisition from Sarin Varghese	Negligible	Negligible
August 22, 2017	30,000	10	53.00	Cash	Acquisition from Subhanshu Sharma	Negligible	Negligible
September 6, 2017	2,714,056	10	21.50	Cash	Preferential allotment	0.35	0.35
Total (A)	4,661,684					0.59	0.59
(B) SMSPL							
February 25, 2006	60,000	10	75.00	Cash	Further issue	0.01	0.01
April 22, 2006	120,000	10	-	N.A	Bonus issue of two Equity Shares for every one Equity Share held	0.02	0.02
September 11, 2006	(60,000)	10	138.33	Cash	Transfer to Maplewood	(0.01)	(0.01)
December 12, 2006	48,150	10	96.83	Cash	Further issue	0.01	0.01
March 21, 2007	7,029,382	10	N.A.	Other than cash	Allotment pursuant to merger of Winsome with our Company. For details, see “ <i>History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.</i> ” on page 170	0.89	0.89
April 21, 2008	(633,000)	10	300.00	Cash	Transfer to Kotak Mahindra Trusteeship Services Limited on account of KAIOF	(0.08)	(0.08)
May 28, 2008	667,494	10	N.A.	Other than cash	Allotment pursuant to merger of Muskan and Tangerine with our Company. For details, see “ <i>History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.</i> ” on page 170	0.08	0.08
June 24, 2008	361,446	10	96.83	Cash	Further Issue	0.05	0.05
	378,427	10	102.67	Cash	Further Issue	0.05	0.05
September 23, 2008	(7,000)	10	160.83	Cash	Transfer to Riaz Kaka	Negligible	Negligible
October 21, 2008	300,000	10	108.50	Cash	Further Issue	0.04	0.04
February 18, 2009	77,870	10	35.00	Cash	Further Issue	0.01	0.01

Date of allotment/ transfer	No. of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per Equity Share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
July 21, 2009	618,360	10	35.00	Cash	Acquisition from PRN	0.08	0.08
September 4, 2009	308,850	10	85.00	Cash	Further Issue	0.04	0.04
August 12, 2010	156,450	10	85.00	Cash	Further Issue	0.02	0.02
	23,114	10	99.65	Cash	Further Issue	Negligible	Negligible
March 29, 2011	2,790	10	99.65	Cash	Further Issue	Negligible	Negligible
June 30, 2011	23,926	10	99.65	Cash	Further Issue	Negligible	Negligible
September 14, 2011	799,900	10	85.00	Cash	Further Issue	0.10	0.10
October 26, 2011	360,000	10	99.65	Cash	Further Issue	0.05	0.05
December 14, 2011	270,000	10	85.00	Cash	Further Issue	0.03	0.03
March 30, 2012	1,097,000	10	85.00	Cash	Further Issue	0.14	0.14
March 30, 2012	6,809	10	99.65	Cash	Further Issue	Negligible	Negligible
March 30, 2012	56,880	10	135.00	Cash	Acquisition from Rasik Bahl	0.01	0.01
April 30, 2012	696,091	10	65.00	Cash	Further Issue	0.09	0.09
May 9, 2012	227,980	10	65.00	Cash	Further Issue	0.03	0.03
August 29, 2012	1,718,631	10	65.00	Cash	Further Issue	0.22	0.22
February 4, 2013	10,133,466	10	N.A	Other than cash	Allotment pursuant to merger of Spank Hotels with our Company. For details, see “ <i>History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.</i> ” on page 170	1.29	1.29
	21,768	10	65.00	Cash	Preferential allotment	Negligible	Negligible
March 26, 2013	2,852,000	10	46.00	Cash	Preferential allotment	0.36	0.36
	49,040	10	100.00	Cash	Preferential allotment	0.01	0.01
	1,920	10	125.00	Cash	Acquisition from Rajiv Srivastava	Negligible	Negligible
March 30, 2013	650,000	10	46.00	Cash	Preferential allotment	0.08	0.08
April 25, 2013	279,751	10	100.00	Cash	Preferential allotment	0.04	0.04
	250,000	10	46.00	Cash	Preferential allotment	0.03	0.03
September 25, 2013	1,941	10	150.00	Cash	Acquisition from Ashish Kumar	Negligible	Negligible
	5,542	10	150.00	Cash	Acquisition from Bhushan Kumud	Negligible	Negligible
April 17, 2014	3,686,322	10	128.00	Cash	Acquisition from Kotak Mahindra Trusteeship Services Limited on account of Kotak Real Estate Fund I (scheme of Kotak Mahindra Realty Fund)	0.47	0.47

Date of allotment/ transfer	No. of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per Equity Share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)*
	322,593	10	128.00	Cash	Acquisition from India Golf Assets Private Limited	0.04	0.04
	335,120	10	128.00	Cash	Acquisition from K S Realty Constructions Private Limited	0.04	0.04
April 22, 2014	(2,992,192)	10	195.00	Cash	Transfer to APG	(0.38)	(0.38)
	384,838	10	195.00	Cash	Acquisition from various shareholders of the Company	0.05	0.05
April 23, 2014	314,352	10	100.00	Cash	Preferential allotment	0.04	0.04
April 25, 2014	62,012,022	10	-	N.A	Bonus issue of two Equity Shares for every one Equity Share held	7.89	7.89
June 5, 2014	1,500,000	10	33.00	Cash	Acquisition from Palms International	0.19	0.19
	4,500,000	10	33.00	Cash	Acquisition from Five Star	0.57	0.57
	(16,304,029)	10	65.00	Cash	Transfer to APG	(2.07)	(2.07)
June 10, 2014	109,000	10	45.00	Cash	Acquisition from Davander Tomar	0.01	0.01
	64,240	10	65.00	Cash	Acquisition from Davander Tomar	0.01	0.01
	2,420	10	65.00	Cash	Acquisition from Inder Pal Batra	Negligible	Negligible
July 15, 2014	221,000	10	45.00	Cash	Acquisition from Davander Tomar	0.03	0.03
	140,579	10	65.00	Cash	Acquisition from Davander Tomar	0.02	0.02
	3,247	10	65.00	Cash	Acquisition from Inder Pal Batra	Negligible	Negligible
	11,400	10	65.00	Cash	Acquisition from Vikramjit Singh	Negligible	Negligible
September 26, 2014	654	10	65.00	Cash	Acquisition from Satish Kumar	Negligible	Negligible
	1,800	10	65.00	Cash	Acquisition from Pradeep Dahiya	Negligible	Negligible
	79,700	10	43.00	Cash	Acquisition from Nikhil Sharma	0.01	0.01
October 9, 2014	1,691,636	10	33.00	Cash	Acquisition from Five Star	0.22	0.22
February 4, 2015	300	10	43.00	Cash	Acquisition from Nikhil Sharma	Negligible	Negligible
	7,375	10	43.00	Cash	Acquisition from Saket Puri	Negligible	Negligible
	22,575	10	43.00	Cash	Acquisition from Ranjan Basu	Negligible	Negligible
	30,000	10	43.00	Cash	Acquisition from R. Hari	Negligible	Negligible
	8,891	10	43.00	Cash	Acquisition from Mary Tep	Negligible	Negligible
	17,550	10	43.00	Cash	Acquisition from Gaurav Pallial	Negligible	Negligible
	26,565	10	43.00	Cash	Acquisition from Ashish Taru Sarkar	Negligible	Negligible
February 13, 2015	(1,295,136)	10	43.00	Cash	Transfer to HeadStart	(0.17)	(0.17)

Date of allotment/ transfer	No. of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per Equity Share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post- Offer Equity Share capital (%)*
March 7, 2015	83,857,800	10	-	N.A	Bonus issue of one Equity Share for every one Equity Share held	10.66	10.66
March 27, 2015	(4,448,630)	10	21.50	Cash	Transfer to HeadStart	(0.57)	(0.57)
April 22, 2015	1,116,728	10	16.50	Cash	Acquisition from Five Star	0.14	0.14
	239,000	10	37.50	Cash	Acquisition from Kapil Sharma	0.03	0.03
	317,000	10	37.50	Cash	Acquisition from JK Chawla	0.04	0.04
	188,500	10	37.50	Cash	Acquisition from Rahul Pandit	0.02	0.02
	91,500	10	37.50	Cash	Acquisition from Nikhil Sharma	0.01	0.01
	58,500	10	37.50	Cash	Acquisition from Joginder Singh	0.01	0.01
	24,500	10	37.50	Cash	Acquisition from Inder Pal Batra	Negligible	Negligible
	100,000	10	37.50	Cash	Acquisition from Davander Tomar	0.01	0.01
	100,000	10	37.50	Cash	Acquisition from Ritu Rajan	0.01	0.01
	100,000	10	37.50	Cash	Acquisition from Ritika Ranjan	0.01	0.01
June 19, 2015	(15,325,000)	10	37.50	Cash	Transfer to APG	(1.95)	(1.95)
July 9, 2015	1,572	10	21.50	Cash	Acquisition from Om Prakash	Negligible	Negligible
	53,820	10	21.50	Cash	Acquisition from Rupesh Singh	0.01	0.01
	6,762	10	21.50	Cash	Acquisition from Rahul Jagiasi	Negligible	Negligible
October 29, 2015	894,766	10	16.50	Cash	Preferential allotment	0.11	0.11
	24,305	10	21.50	Cash	Acquisition from Vikramjit Singh	Negligible	Negligible
December 29, 2015	13,552,272	10	21.33	Cash	Acquisition from Kotak India Realty Fund	1.72	1.72
	15,692,124	10	21.33	Cash	Acquisition from Kotak Mahindra Trusteeship Services Limited on account of KAOIF	2.00	2.00
January 12, 2016	(100,000)	10	21.50	Cash	Transfer to Ila Dubey	(0.01)	(0.01)
	(100,000)	10	21.50	Cash	Transfer to Lillette Dubey	(0.01)	(0.01)
March 28, 2016	19,308	10	21.50	Cash	Acquisition from Sanjeev Sahni	Negligible	Negligible
	(200,000)	10	21.50	Cash	Transfer to Mandira Kumar	(0.03)	(0.03)
Total (B)	180,122,627	-	-	-	-	22.90	22.90
Grand Total (A+B)	184,784,311	-	-	-	-	23.49	23.49*

*This does not include the shares to be issued to the Promoters pursuant to the completion of the Proposed Amalgamation. Upon completion of the Proposed Amalgamation, Mr. Patanjali Govind Keswani will hold 12,793,254 Equity Shares, constituting 1.63% of our pre-Offer Equity Share capital and SMSPL will hold 207,375,759 Equity Shares, constituting 26.37% of our pre-Offer Equity Share capital.

Other than 45,000 equity shares allotted to Mr. Patanjali Govind Keswani on October 7, 2002, which were subsequently made fully paid-up, all the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters

are pledged.

(b) Shareholding of our Promoters and Promoter Group

Set forth below is the shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus.

Name of shareholder	As on the date of this Draft Red Herring Prospectus		Pre-Offer (upon completion of Proposed Amalgamation)		Post-Offer	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
(A) Promoters						
Mr. Patanjali Govind Keswani	4,661,684	0.59	12,793,254	1.63	12,793,254	1.63
SMSPL	180,122,627	22.90	207,375,759	26.37	207,375,759	26.37
(B) Promoter Group						
Ms. Lillette Dubey	374,908	0.05	374,908	0.05	374,908	0.05
Ms. Ila Dubey	2,944,292	0.37	2,944,292	0.37	2,944,292	0.37
Aster	34,030,554	4.33	-	-	-	-
PRN	15,113,808	1.92	-	-	-	-
HeadStart	7,367,360	0.94	-	-	-	-
Sparrow Buildwell Private Limited	-	-	5,813,280	0.74	5,813,280	0.74
Total	244,615,233	31.10	229,301,493	29.16	229,301,493	29.16

Other than as mentioned above, none of the other members of the Promoter Group, directly or indirectly, hold any Equity Shares as of the date of this Draft Red Herring Prospectus.

(c) Shareholding of director of SMSPL, our corporate Promoter

Mr. Patanjali Govind Keswani, a director of SMSPL, our corporate Promoter holds 4,661,684 Equity Shares as on the date of this Draft Red Herring Prospectus.

All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

Details of Promoters' contribution and lock-in for three years

Pursuant to Regulation 32 and 36(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by SMSPL, one of our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**"). The lock-in of the Promoters' Contribution would be created as per applicable laws and procedures and details of such lock-in shall also be provided to the Stock Exchanges before the listing of the Equity Shares. The Equity Shares held by our Promoter, SMSPL are eligible for inclusion in the Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

Set forth below are the details of the Equity Shares that will be locked up as Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares locked-in	Date of allotment	Face value (₹)	% of pre-Offer Equity Share capital	% of the fully diluted post- Offer Equity Share capital*
SMSPL	55,088,922	April 25, 2014	10	7.01	7.01
	81,960,960	March 7, 2015	10	10.42	10.42
	20,304,334	December 29, 2015	10	2.58	2.58
Total	157,354,216	-	-	20.01	20.01

* Calculated on a fully diluted basis. As of the date of this Draft Red Herring Prospectus, there are no outstanding vested options that have not been exercised and no further options will vest at any time prior to April 1, 2018.

For details on the build-up of the Equity Share capital held by our Promoters, see "**- Build-up of our Promoters' shareholding in our Company**" on page 98.

Except for the acquisition of 20,304,334 Equity Shares on December 29, 2015 for ₹ 433.09 million by SMSPL, which was financed out of a loan sanctioned to SMSPL by Capital First Limited, other Equity Shares forming part of the Promoters' Contribution were allotted to SMSPL by our Company pursuant to bonus issues.

Our Promoter, SMSPL, has given its consent to include such number of Equity Shares held by it as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. SMSPL has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as 'promoters' under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

1. the Equity Shares offered as part of the Promoters' Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and wherein revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Promoters' Contribution;
2. the Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
3. our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and
4. the Equity Shares held by our Promoters and offered as part of the Promoters' Contribution are not subject to any pledge.

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

In terms of Regulation 37 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 in the Offer, except (a) the Promoters' Contribution which shall be locked in as above; (b) any Equity Shares held by the employees of our Company (who continue to be employees of our Company as on the date of Allotment) which have been and may be allotted to them under ESOP-2006 prior to the Offer; and (c) Equity Shares which are successfully transferred as part of the Offer for Sale.

Any unsubscribed portion of the Offered Shares would also be locked in as required under the SEBI ICDR Regulations.

(e) 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.

(f) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer, which will not apply in the context of this Offer, being an Offer for Sale.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the “**Takeover Regulations**”).

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters 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 lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

6. As on the date of this Draft Red Herring Prospectus, our Company has 610 Equity Shareholders.

7. Our shareholding pattern

A. 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 from (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	7	244,615,233	0	0	244,615,233	31.11	244,615,233	NA	244,615,233	31.11	0	31.11	0	0	0	0	244,615,233
(B)	Public	602	541,751,418	0	0	541,751,418	68.89	541,751,418	NA	541,751,418	68.89	0	68.89	0	0	0	0	8,849,620
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	0	0	0
(1)	Shares underlying Custodian/Depository Receipts	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	0	0	0
(2)	Shares held by Employee Trust	1	46,032	0	0	46,032	0	0	NA	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	610	786,412,683	0	0	786,412,683	100	786,412,683	NA	786,412,683	100	-	100	0	0	0	0	253,464,853

B. Set forth below is the shareholding pattern of our Company as it will stand pre-Offer (upon completion of the Proposed Amalgamation).

Category (I)	Category of the Shareholder (II)	No. of Shareholde rs (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 from (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	5	229,301,493	0	0	229,301,493	29.16	229,301,493	NA	229,301,493	29.16	0	29.16	0	0	0	0	229,301,493
(B)	Public	612	557,065,158	0	0	557,065,158	70.84	557,065,158	NA	557,065,158	70.84	0	70.84	0	0	0	0	195,797,000
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	0	0	0
(1)	Shares underlying Custodian/Depository Receipts	0	0	0	0	0	0	0	NA	0	0	0	0	0	0	0	0	0
(2)	Shares held by Employee Trust	1	46,032	0	0	46,032	0	0	NA	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	618	786,412,683	0	0	786,412,683	100	786,412,683	NA	786,412,683	100	-	100	0	0	0	0	425,098,493

8. The GCBRLMs, the BRLM and their respective associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The GCBRLMs, the BRLM 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 and/or our Subsidiaries, for which they may in the future receive customary compensation.

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

Name	No. of Equity Shares held as on date of this Draft Red Herring Prospectus	% of Equity Share capital as on date of this Draft Red Herring Prospectus	No. of Equity Shares pre-Offer (upon completion of the Proposed Amalgamation)	% of pre-Offer Equity Share capital (upon completion of the Proposed Amalgamation)*
Mr. Patanjali Govind Keswani	4,661,684	0.59	12,793,254	1.63
Mr. Rattan Keswani	357,270	0.05	357,270	0.05
Mr. Gopal Sitaram Jiwarajka	657,270	0.08	657,270	0.08
Mr. Paramartha Saikia	153,162	0.02	153,162	0.02
Mr. Kapil Sharma	1,394,014	0.18	1,394,014	0.18
Mr. Davander Tomar	290,210	0.04	290,210	0.04
Mr. Vikramjit Singh	333,195	0.04	333,195	0.04
Mr. Jagdish Kumar Chawla	1,726,738	0.22	1,726,738	0.22

* As of the date of this Draft Red Herring Prospectus, there are no outstanding vested options that have not been exercised and no further options will vest at any time prior to April 1, 2018.

10. 10 largest shareholders of our Company

- (a) The 10 largest equity shareholders as on the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Maplewood	192,908,118	24.53
2.	SMSPL	180,122,627	22.90
3.	APG	118,730,914	15.10
4.	RJ Corp	78,748,368	10.01
5.	Palms International	38,319,822	4.87
6.	Aster	34,030,554	4.33
7.	Five Star	23,649,816	3.01
8.	PRN	15,113,808	1.92
9.	RKJ HUF	13,999,416	1.78
10.	Whispering Resorts	10,479,270	1.33
	Total	706,102,713	89.79

- (b) The 10 largest equity shareholders as on ten days prior to the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Maplewood	192,908,118	24.53
2.	SMSPL	180,122,627	22.90
3.	APG	118,730,914	15.10
4.	RJ Corp	78,748,368	10.01
5.	Palms International	38,319,822	4.87
6.	Aster	34,030,554	4.33
7.	Five Star	23,649,816	3.01
8.	PRN	15,113,808	1.92
9.	RKJ HUF	13,999,416	1.78
10.	Whispering Resorts	10,479,270	1.33
	Total	706,102,713	89.78

- (c) Our 10 largest equity shareholders as of two years prior to the date of this Draft Red Herring Prospectus, i.e. as of

September 19, 2015 are set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Maplewood	192,908,118	24.83
2.	SMSPL	150,339,852	19.35
3.	APG	118,730,914	15.28
4.	RJ Corp	78,748,368	10.14
5.	Aster	34,030,542	4.38
6.	Palms International	23,856,072	3.07
7.	Five Star	23,649,816	3.04
8.	Kotak Mahindra Trusteeship Services Limited A/c KAOIF	15,692,124	2.02
9.	PRN	15,046,710	1.94
10.	Dianmo Holdings	14,463,750	1.86
	Total	667,466,266	85.91

- (d) The 10 largest equity shareholders pre-Offer (upon completion of the Proposed Amalgamation) and the number of Equity Shares that will be held by them upon completion of the Proposed Amalgamation are as set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	SMSPL	207,375,759	26.37
2.	Maplewood	192,908,118	24.53
3.	APG	118,730,914	15.10
4.	RJ Corp	78,748,368	10.01
5.	Palms International	38,319,822	4.87
6.	Five Star	23,649,816	3.01
7.	RKJ HUF	13,999,416	1.78
8.	Mr. Patanjali Govind Keswani	12,793,254	1.63
9.	Whispering Resorts	10,479,270	1.33
10.	Citron	10,317,600	1.31
	Total	707,322,337	89.94

For details relating to the cost of acquisition of Equity Shares by our Promoters, see “**Risk Factors – Prominent Notes**” on page 38.

11. Except as disclosed below, none of our Promoters, members of our Promoter Group or our Directors or their immediate relatives or directors of SMSPL, our corporate Promoter, have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, during the six months immediately preceding the date of this Draft Red Herring Prospectus:

S. No.	Name of Promoter/ Promoter Group/Director of SMSPL/Directors/ Relatives of Directors	Promoter/Director/Promoter Group	Number of Equity Shares Subscribed/ Purchased	Number of Equity Shares Sold	Price at which each Equity Share was Subscribed/ Sold (₹)	Date on which Equity Shares Subscribed/ Sold
1.	Mr. Patanjali Govind Keswani	Promoter	Acquisition from Sarin Varghese	25,706	33.00	March 31, 2017
			Acquisition from Shubhanshu Sharma	30,000	53.00	August 22, 2017
			Preferential allotment	2,714,056	21.50	September 6, 2017
2.	PRN	Promoter Group	Transfer to HeadStart	176	21.50	June 7, 2017
			Transfer to Aster	12	21.50	June 7, 2017

12. Our Company, our Promoters, members of our Promoter Group, Directors, the GCBRLMs and the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.

13. No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
14. No payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.
15. None of the Equity Shares held by the Promoters and other members of our Promoter Group are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered.
16. An oversubscription to the extent of 10% of the Offer can be retained for the purpose of rounding-off to the nearest multiple of minimum Allotment lot while finalizing the Basis of Allotment.
17. 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 combination of categories at the discretion of our Company in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange in accordance with applicable law.
18. 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.
19. The Equity Shares to be issued pursuant to the Offer are and shall be fully paid-up at the time of Allotment.
20. Other than the options granted under the ESOP-2006, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
21. Except for allotments of Equity Shares on March 21, 2007, May 28, 2008 and February 4, 2013 our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act 1956. Further, in connection with the Proposed Amalgamation, our Company and certain companies forming part of our Promoter Group have filed a petition before the NCLT for the approval of a scheme of merger of such companies forming part of our Promoter Group with our Company. For further details, see “**History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.**” on page 170.
22. Except for any Equity Shares issued on any exercise of options granted pursuant to ESOP-2006 and on implementation of the Proposed Amalgamation, 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.
23. Except for any Equity Shares issued on exercise of options granted pursuant to the ESOP - 2006, 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 issue of bonus or rights or further public issue of Equity Shares.
24. Our Promoters and members of the Promoter Group will not participate in the Offer.
25. 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.
26. Syndicate Members and any persons related to the GCBRLMs, the BRLM or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities related to the GCBRLMs and the BRLM
27. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
28. 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 278.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of up to 195,797,000 Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer and all the proceeds will go to the Selling Shareholders, in proportion to the Equity Shares offered and sold by the respective Selling Shareholders in the Offer for Sale. For further details, see the section titled “*The Offer*” on page 62.

Offer Related Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Banker to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, SCSCBs, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.. The break-up for the estimated Offer expenses are as follows:

Activity	Amount ⁽¹⁾ (₹ in million)	As a % of total estimated Offer related expenses ⁽¹⁾	As a % of Offer size ⁽¹⁾
Fees payable to the BRLMs and brokerage and selling commission for members of the Syndicate, SCSBs, RTAs and CDPs ⁽²⁾	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Forms procured by the Syndicate, Sub-Syndicate, Registered Brokers, CRTAs or CDPs and submitted with the SCSBs; and Bidding charges to members of the Syndicate, CRTAs and CDPs ⁽³⁾	[●]	[●]	[●]
Selling commission for Registered Brokers ⁽⁴⁾	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others:	[●]	[●]	[●]
i. Listing fees;			
ii. SEBI, BSE and NSE processing fees;			
iii. Fees payable to legal counsels; and			
iv. Miscellaneous.			
Total estimated Offer expenses	[●]	[●]	[●]

* To be incorporated in the Prospectus after finalisation of the Offer Price.

(1) The Offer expenses will be incorporated in the Prospectus on finalization of Offer Price.

(2) Selling commission payable to the SCSBs, members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs, on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by them would be as follows: [●]

(3) SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable taxes) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking of funds in the ASBA Accounts
Bidding charges: ₹ [●] (plus applicable taxes), per valid application bid by the Syndicate, CRTAs and CDPs

(4) Registered Brokers will be entitled to a commission of ₹ [●] (plus applicable taxes) per valid ASBA Form directly procured by the Registered Brokers from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for processing.

Other than (i) listing fee, which shall be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, which shall be solely borne by the respective Selling Shareholders, upon commencement of listing and trading of our Equity Shares on the Stock Exchanges pursuant to the Offer, the fees and expenses relating to the Offer shall be borne by the Selling Shareholders, on a pro-rata basis, in proportion to the respective Offered Shares sold by each Selling Shareholder pursuant to the Offer, in accordance with applicable law.

Monitoring of Utilization of Funds

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “**Our Business**”, “**Risk Factors**”, “**Financial Statements**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 136, 15, 209 and 210, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

- Leading mid-priced hotel chain with a differentiated business model;
- Strategically positioned in key geographical areas;
- Present across the value chain;
- Focus on brand excellence, providing a value-for money proposition and strengthening employee culture; and
- Experienced promoter and management team.

For further details, see “**Our Business**” and “**Risk Factors**” on pages 136 and 15, respectively.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Unconsolidated Financial Statements. For details, see “**Financial Statements**” on page 209.

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

1. Basic and Diluted Earnings/Loss per Share (“EPS”)

As per our Restated Unconsolidated Financial Statements:

Year/Period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2017	0.07	3
March 31, 2016	(0.21)	2
March 31, 2015	(0.01)	1
Weighted Average	(0.04)	

As per our Restated Consolidated Financial Statements:

Year/Period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2017	(0.11)	3
March 31, 2016	(0.40)	2
March 31, 2015	(0.69)	1
Weighted Average	(0.30)	

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

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

Note:

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 ‘Earnings per Share’, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.

2. Price / Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] per Equity Share of the face value of ₹ 10 each

Particulars	Based on Basic and Diuted EPS	Based on Basic and Diluted EPS
P/E ratio based on Basic and Diluted EPS for the Fiscal ended March 31, 2017 at the Floor Price:	[●]	[●]
P/E ratio based on Basic and Diluted EPS for the Fiscal ended March 31, 2017 at the Cap Price:	[●]	[●]

Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 64.80, the lowest P/E ratio is 64.80, the average P/E ratio is 64.80.

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)

Return on net worth as per the Restated Unconsolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2017	0.58	3
March 31, 2016	(1.78)	2
March 31, 2015	(0.11)	1
Weighted Average	(0.32)	

Return on net worth as per the Restated Consolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2017	(0.66)	3
March 31, 2016	(2.52)	2
March 31, 2015	(4.33)	1
Weighted Average	(1.89)	

RoNW (%) = $\frac{\text{Net profit/(loss) after tax, as restated-}}{\text{Net worth at the end of the year}}$

4. Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS as at March 31, 2017

a) For Basic EPS

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

b) For Diluted EPS

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

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

NAV	Unconsolidated (₹)	Consolidated (₹)
As on March 31, 2017	11.88	10.36
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]
At the Offer Price	[●]	[●]

Net asset value per Equity Share = Net worth, as restated at the end of the year / number of Equity Shares outstanding at the end of year.

6. 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 per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Company*	4,181.36	10	-	(0.11)	(0.66)	15.87
Peer Group						
The Indian Hotels Company Limited*	40,652.00	1	-**	(0.64)	(1.40)	33.00
EIH Limited*	16,182.90	2	64.8	1.86	4.21	48.40

*On a consolidated basis, as at March 31, 2017

Notes:

1. Source for peer set: Fiscal 2017 Annual Reports
2. P/E ratio is calculated at the closing share price (August 23, 2017, NSE)
3. **Posted a loss for the period

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

The Offer Price of ₹ [●] has been determined by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, the GCBRLMs and the BRLM believe that the Offer Price of ₹ [●] 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 15, 136 and 209 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**” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Lemon Tree Hotels Limited
Asset No. 6
Aerocity Hospitality District
New Delhi 110 037

Dear Sirs,

Statement of Possible Tax Benefits available to Lemon Tree Hotels Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Lemon Tree Hotels Limited (“**the Company**”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2017, i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19, presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

The Central Board for Direct Taxes (“**CBDT**”) has constituted a Committee to suggest framework to compute book profit which constitutes the tax base for Minimum Alternate Tax (“**MAT**”) levy for companies converging to IND-AS. Till date the Committee has made two reports, which are yet to be accepted by the Government. Since the Committee recommendations do not carry any weightage in law as they may or may not be accepted we have not expressed our opinion on the transitional impact of Ind-AS, which maybe applicable to the Company from FY 2017-18 onwards.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169
Place of Signature: Gurgaon
Date: September 15, 2017

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (“**the Act**”) as amended by the Finance Act 2017, i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19, presently in force in India.

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Note:

1. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
3. The above statement covers only above mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij
Partner
Membership Number: 95169
Place of Signature: Gurgaon
Date: September 15, 2017

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

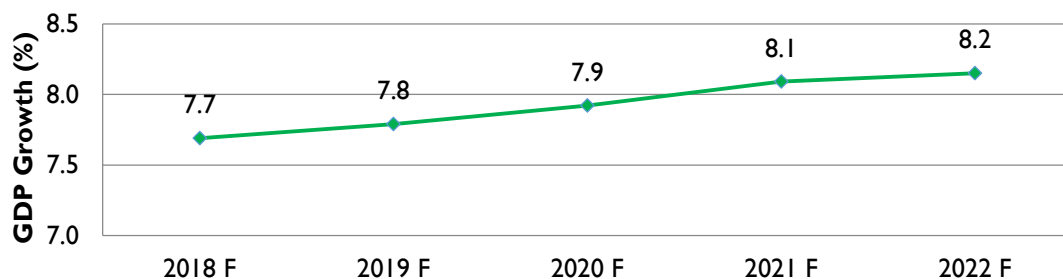
The information contained in this section is derived from a research report titled “Industry Report – Mid Priced Hotel Sector” dated September 9, 2017 prepared by Horwath HTL India. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources 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. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Macroeconomic Overview of India

India is the seventh largest economy in the world with nominal GDP of USD 2.26 trillion and third in terms of purchasing power parity as per 2016 estimates. (Source: *World Development Indicators Database, World Bank, 17 April 2017*). The Indian economy grew by 7.1% in the fiscal year 2017 (estimates) as against 7.6% growth for the fiscal year 2016 (Source: *Central Statistics Office, Govt. of India*).

India GDP Forecast

Per capita GDP in India for 2016 is of USD 1,861 as per World Bank Report, which is lower than that of other emerging markets such as China, Russia, Brazil and Mexico. The following chart sets forth that India’s GDP is forecasted to increase from 7.7% in the fiscal year 2018 to 8.2% by the fiscal year 2022:



Source: IMF

Key demographic aspects

Middle class population: The middle class population in India has doubled from 300 million to 600 million between 2004 and 2012, according to World Economic Forum, and is likely to overtake that of US and China by 2027. India’s urban population has increased from 27.8% of total population (per census 2001) to 31.2% of the total population (per Census 2011).

Young population: Estimates by PwC indicate that by 2020, the average age of an Indian will be 29 years, compared with average age of 37 and 48 years, respectively, for China and Japan. This young population will help constitute a large working population, with an estimated 64% of India’s population to be in the working age population by the fiscal year 2021 (Source: *Union budget and economic survey 2013*). Increased income levels in the hands of individuals can reasonably be expected to create additional discretionary spending capacity for the individuals, with likely benefits to the mid-priced sector of hotels.

Hotel Supply Penetration in India as Compared to a Global Perspective

The following table sets forth the penetration of hotel supply in the United States and India in comparison to a global perspective:

Region	Supply of Hotel Rooms (in million) ¹	Population (in million) ²	Penetration (Rooms/ 1,000 people)
World	16.2	7,349	2.2
USA	5.0	321	15.7
India	0.2	1,211	0.2

Source: 1. STR; STR census inventory as at December 2016 2. United Nations - Population and Vital Statistics Report 2017

Classifications of Hotel Rooms Supply

Certain terms which are used for classifying and categorizing hotels, are listed below:

Mid-priced hotel sector – the mid-priced hotel sector is a broad term used to refer to a combined set of ‘value-priced’ hotels which are classified as upper-midscale, midscale and economy segment hotels.

Luxury and upper upscale segment – these classifications typically refer to top tier hotels. In India, these would generally be classified as five star, deluxe and luxury hotels.

Upscale segment – these are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India, these would generally be classified as four or even five star hotels.

Upper Midscale segment – these hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upscale hotels. In India, these would generally be classified as four star and sometimes three star hotels.

Midscale segment – these are typically three star hotels with distinctly moderate room sizes, quality and pricing, and a lower quality of services, while domestic brand midscale hotels are often more full service in nature, services tend to be more selectively available among international branded midscale hotels.

Economy segment – these are typically two star hotels providing functional accommodations and limited services, while being focused on price consciousness.

Chain-affiliated hotels are hotels that are (i) owned and operated by hotel chains, (ii) operated by hotel chains on behalf of other owners, or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. These include all recognized international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country and domestic hotel chains that are generally considered as operating under common branding.

Chain-affiliated hotels do not include other domestic chains which have less than five hotels operating regionally in India, groups that have multiple hotels only within one state, companies that are primarily operating time share facilities and one star hotels. There is significant amount of room inventory outside the chain-affiliated hotels in India, with a mix of product types, positioning, service and operating standards and varied degrees of competitiveness. Independent hotels have not been included due to the following main reasons:

- lack of sufficiently co-ordinated data for independent hotels that is available under a reliable and consistent standard;
- increasingly challenged competitiveness of these independent hotels against growing presence of chain-affiliated hotels, particularly under an environment of multi-city corporate travel needs, and the cost and efficiency of digital marketing capability;
- longer-term constraints on independent hotel growth as hotel chains, particularly domestic chains, spread their presence outside the main cities; and
- limited size of independent hotels given the reluctance of banks to finance larger projects unless these have access to strong marketing and management systems.

The pace of growth of independent hotels has considerably slowed over the years, relative to chain-affiliated hotels. Thus, considering past and current performance of chain-affiliated hotels while also competing with the available supply of independent hotels is an adequate reflection of the competitive ability and environment for chain-affiliated hotels. In this context the trends and outlook presented for chain-affiliated hotels will not be materially impacted if independent hotels were also to be considered.

The following table sets forth the composition of chain-affiliated supply of hotel rooms in India:

Segments	March 31, 2002	March 31, 2009	March 31, 2016	March 31, 2017	March 31, 2021 (expected)	CAGR 2002 to 2017 (%)	CAGR 2017 to 2021 (%)
Luxury-Upper Upscale	15,052	22,253	45,151	47,331	56,968	7.9	4.7
Upscale	4,661	7,736	23,949	24,825	34,530	11.8	8.6
Upper Midscale	4,458	7,989	23,099	24,840	34,208	12.1	8.3
Midscale-Economy	1,895	7,121	24,989	28,363	44,093	19.8	11.7
Total	26,066	45,099	117,188	125,359	169,799	10.0	7.9
% of Total							
Luxury-Upper Upscale	57.7	49.3	38.5	37.8	33.6		
Upscale	17.9	17.2	20.4	19.8	20.3		
Upper Midscale	17.1	17.7	19.7	19.8	20.1		

Segments	March 31, 2002	March 31, 2009	March 31, 2016	March 31, 2017	March 31, 2021 (expected)	CAGR 2002 to 2017 (%)	CAGR 2017 to 2021 (%)
Midscale-Economy	7.3	15.8	21.3	22.6	26.0		

Source: Horwath HTL India

India has moved from having more luxury and upper scale rooms, at the start of the century, to a more balanced supply scenario, with 19.8 % of the supply estimated to be available in each of the upscale and upper midscale segments, 22.5% of the supply estimated to be available in the midscale and economy segments and 38% of the supply estimated to be available in the luxury and upper upscale levels.

The mid-priced hotel sector has traditionally been underserved in terms of chain-affiliated products carrying consistent standards and marketing reach. This sector had been typically served by independent hotels with fragmented and mainly localized ownerships, inconsistent physical products, upkeep and services. The trend of increasing supply in the mid-priced hotel sectors is expected to continue, as can be seen from the supply scenario expected for the fiscal year 2021.

While expansions of the upper midscale, midscale and economy segments are globally appropriate in the context of material growth in domestic travel, the slowdown of new supply in the luxury and upper upscale segment is a long-term concern.

The following table sets forth the CAGR of inventory for the top 10 hotel chains across India:

Chain / Group	CAGR (%)	
	Fiscal Year 2007 to Fiscal Year 2017	Fiscal Year 2013 to Fiscal 2017
Accor	40.6%	22.3%
Carlson	20.9%	7.4%
Hyatt	11.6%	11.1%
Intercontinental Hotels Group	30.1%	19.8%
ITC Hotels	6.8%	4.9%
Lemon Tree Hotels	29.5%	17.0%
Marriott (including Starwood) ¹	16.2%	10.7%
Oberoi Group	2.9%	2.3%
Sarovar	17.0%	12.8%
Taj	7.2%	5.1%

Source: Horwath HTL India.

Notes: 1. excludes hotels with franchise arrangement with ITC Hotels, these are included under ITC Hotels.

Supply Composition by City

The top 10 markets in India (based on hotel inventory) have 67.7% of hotel inventory in the fiscal year 2017 and each market has at least 3,000 chain-affiliated hotel rooms.

The following table sets forth the composition of inventory based on city status for the periods indicated:

Fiscal year	2002	2009	2016	2017
Top three metros: Mumbai ¹ , Delhi NCR, Bengaluru	11,349	18,561	44,381	46,556
Other three metros: Kolkata, Chennai, Hyderabad	3,408	6,317	16,670	17,765
Four key markets: Pune, Ahmedabad, Jaipur, Goa	2,826	5,732	19,888	20,644
Other markets	8,483	14,489	36,249	40,394
Total	26,066	45,099	117,188	125,359
% of Total				
Top three metros: Mumbai, Delhi NCR, Bengaluru	43.5	41.2	37.9	37.1
Other three metros: Kolkata, Chennai, Hyderabad	13.1	14.0	14.2	14.2
Four key markets: Pune, Ahmedabad, Jaipur, Goa	10.8	12.7	17.0	16.5
Other markets	32.5	32.1	30.9	32.2

Source: Horwath HTL India

Note: 1. Mumbai includes Navi Mumbai and Thane

Supply share of the top three metros declined from 43.5% in the fiscal year 2002 to 37% in the fiscal year 2017. The share of the other three metros has increased marginally. Chennai added 4,500 new rooms between the fiscal years 2012 and 2017 while demand in Hyderabad stagnated between the fiscal years 2010 to early 2014 due to issues around the creation of the Telangana.

Supply share of the four main non-metro cities increased from 10.8% to 16.5%, between adding 17,818 rooms. There was substantial inventory creation in Pune and Ahmedabad, at a CAGR of 20.4% and 17.3% respectively, in this period, which contributed significantly to this growth. During the fiscal years 2002 and 2017, there were 4,002 rooms added in Jaipur and 4,453 rooms were added in Goa.

The share of other markets has remained range-bound, supply addition was approximately at 32,000 rooms during the fiscal years 2002 to 2017. Continued supply in new tourist destinations, Tier II and Tier III towns, as also other Tier I cities outside the top 10 markets, helps deepen industry potential and creates opportunities for domestic hotel companies and brands.

The following table sets forth the city wide composition of chain-affiliated hotel rooms in the mid-priced hotel sector as of March 31, 2017:

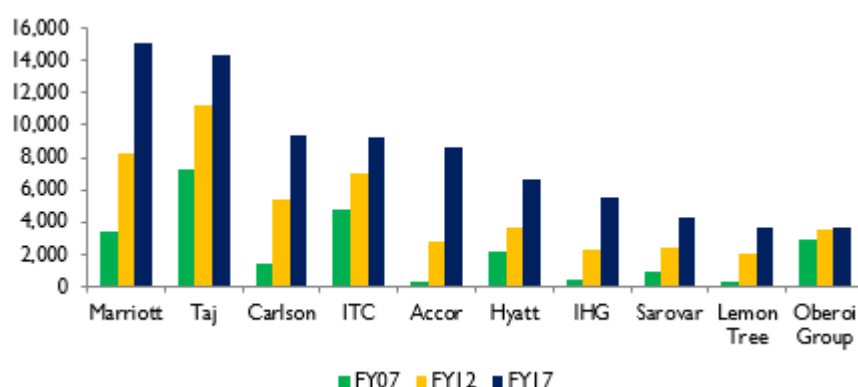
City	Upper Mid-scale	Mid-scale	Economy	Total	Total Expected for 2021
Mumbai	1,192	1,434	162	2,788	5,297
Delhi NCR	2,873	2,323	1,207	6,403	11,074
Bengaluru	2,296	2,659	467	5,422	6,608
Chennai	1,529	1,279	353	3,161	4,330
Hyderabad	1,519	639	271	2,429	3,155
Kolkata	555	216	45	816	1,846
Pune	776	1,526	476	2,778	3,429
Ahmedabad	880	321	325	1,526	1,826
Goa	875	1,175	135	2,185	2,662
Jaipur	1,587	698	318	2,603	2,928
Others	10,758	10,100	2,234	23,092	35,146
Total	24,840	22,370	5,993	53,203	78,301

Source: Horwath HTL India

Note: numbers for the fiscal year 2021 are based on expected supply at that date.

Supply Analysis

The chain-wise composition of hotel room inventory has undergone substantial change in the years since the fiscal year 2007. The following chart sets forth the chain wise inventory for the top ten hotel chains:



Source: Horwath HTL India

The top 10 chain-affiliated hotels have changed over the ten year period from the fiscal year 2007 to the fiscal year 2017, with Intercontinental Hotels Group, Accor and Lemon Tree replacing Leela, Royal Orchid and Bharat Hotels on the top 10 list.

The following table sets forth the chain-affiliated inventory across India, as at March 31, 2017:

	March 31, 2007	March 31, 2017	Rooms June 30, 2017	Owned March 31, 2017	Owned as of June 30, 2017	March 31, 2007	March 31, 2017	Ranking June 30, 2017	Owned March 31, 2017	Owned as of June 30, 2017
Top 10 ²										
Marriot (including Starwood) ³	3,372	15,132	15,132	-	⁻⁴	3	1	1	-	-
Taj	7,262	14,493	14,617	8,824	8,904	1	2	2	1	1
Carlson	1,397	9,345	9,474	-		6	3	3	-	-
ITC Hotels	4,742	9,195	8,788	3,885	3,885	2	4	5	2	2
Accor	287	8,634	8,886	-	⁻⁵	13	5	4	-	-
Hyatt	2,205	6,617	6,718	-	⁻⁶	5	6	6	-	-

	March 31, 2007	March 31, 2017	Rooms June 30, 2017	Owned March 31, 2017	Owned as of June 30, 2017	March 31, 2007	March 31, 2017	Ranking June 30, 2017	Owned March 31, 2017	Owned as of June 30, 2017
Intercontinental Hotels Group	399	5,522	5,724	-	-	12	7	7	-	-
Sarovar	877	4,225	4,225	208	208	9	8	8	8	8
Oberoi Group	2,893	3,860	3,860	3,135	3,273	4	9	10	3	4
Lemon Tree	278	3,676	4,209	2,833	3,171	14	10	9	4	3
Total	23,712	80,699	81,633							
Next 5										
Wyndham	517	2,842	2,904	-	359	11	11	11	-	-
Leela	1,137	2,695	2,695	1,415	1,415	8	12	13	6	6
Royal Orchid	630	2,672	2,872	1,072	1,072	10	13	12	7	7
Hilton		2,410	2,410	-	1,519	-	14	14	-	-
Bharat Hotels	1,320	2,332	2,332	2,183	2,183	7	15	15	5	5
Total	3,604	12,951	13,213							
Others	9,599	31,709	32,357							
Across India	36,915	125,359	127,203							

Source: Horwath HTL India

Notes: ¹ Ranking is based on inventory, unless otherwise indicated. ² Top 10 classification is based on inventory as at March 31, 2017, the data for earlier years and as at June 30, 2017 is provided only for comparison purposes ³ Excludes hotels on franchise with ITC Hotels, these are owned and managed by ITC Hotels and included under ITC Hotels inventory ⁴ Does not include minority investment in joint venture for mid-priced sector hotels with current inventory of 314 rooms (Marriott) ⁵ Accor has minority investment in hotels with inventory aggregating 5,758 rooms; Accor's proportionate share of rooms ownership is 2,162 rooms. Since it is only a minority stake ranking, Accor is not ranked in category of Owned Rooms. ⁶ Does not include Hyatt's investment through a joint venture company.

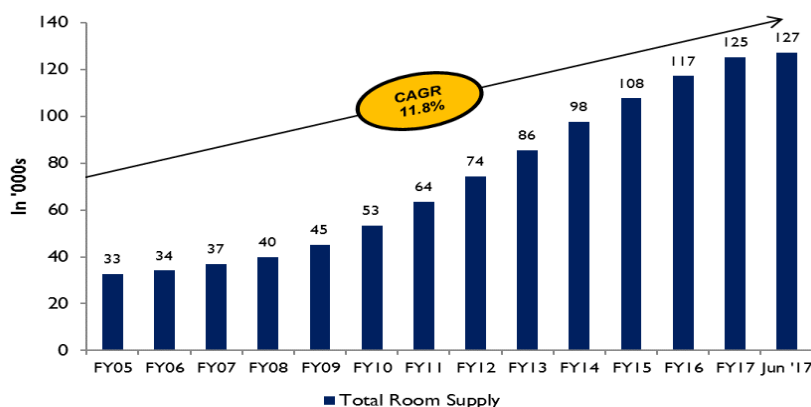
The addition of over 88,000 rooms between the fiscal years 2007 and 2017 has predominantly been under international chain management or franchise, with Marriott, Starwood, Accor, Carlson, Hyatt, Hilton and Intercontinental Hotels Group taking about 45% of this additional inventory. In comparison, the big three Indian chains, Taj, Oberoi and ITC Hotels, added only about 12,651 rooms. International chains with a more modest presence in India, such as Wyndham, Choice and Best Western, added about 3,800 rooms in this period.

Marriott has moved to the lead position in India (after the merger of Starwood with Marriott in September 2016), overtaking the Taj group. In the absence of the merger, Marriott with 8,275 rooms and Starwood with 6,857 rooms would have ranked in the top 10 individually.

During this period, three domestic chains emerged as substantial players in the mid-priced hotels sector, Sarovar Hotels, Lemon Tree and Fortune Hotels (part of the ITC Hotels inventory). The total inventory for these three chains is 12,460 rooms, of which 2,716 rooms were operational as of March 31, 2007 and 9,744 rooms were added during the period leading up to the fiscal year 2017.

As of March 31, 2007 based on hotel rooms under ownership, comprising assets where the chain has 50% or more equity interest in a freehold or leasehold asset, Taj has clear leadership followed by ITC Hotels, Oberoi and Lemon Tree Hotels in second, third and fourth place, respectively, across India.

The following chart sets forth the chain-affiliated supply of rooms across all segments and across India:



Source: Horwath HTL India

The following table sets forth the hotel chain's summary of inventory in the mid-priced hotel sector:

Group	March 31, 2007	March 31, 2017	Rooms June 30, 2017	Owned March 31, 2017	Owned as of June 30, 2017	March 31, 2007	March 31, 2017	Ranking June 30, 2017	Owned March 31, 2017	Owned as of June 30, 2017
ITC Hotels ²	1,561	4,559	4,188	314	314	1	1	4	5	5
Accor		4,488	4,488	- ³	-	-	2	1	-	-
Sarovar	877	4,225	4,225	208	208	2	3	2	6	6
Lemon Tree	278	3,676	4,209	2,833	3,171	10	4	3	2	1
Taj-Ginger	399	3,279	3,403	2,931	2,931	6	5	5	1	2
Wyndham	517	2,842	2,904	-	-	5	6	7	-	-
IHG	341	2,766	2,968	-	-	9	7	6	-	-
Royal Orchid	630	2,672	2,872	1,072	1,072	3	8	8	3	3
Carlson	362	2,443	2,443	-	-	7	9	9	-	-
Concept Hospitality	225	1,976	2,056	-	-	11	10	10	-	-
Berggruen		1,964	1,878	832	832		11	12	4	4
Clarks Inn	35	1,754	1,919	-	-	13	12	11		
Others	4,846	16,559	17,048							
Total sector Inventory	10,071	53,203	54,601							

Source: Horwath HTL India

Notes: ¹ Ranking is based on inventory, unless otherwise indicated. Top 12 classification is based on inventory as at March 31, 2017, the data for earlier years and as at June 30, 2017 is provided only for comparison purposes. ² (Fortune and WelcomHeritage) ³ Accor has minority investment in hotels with inventory aggregating 4,168 rooms; Accor's proportionate share of room's ownership is 1,642 rooms. Since it is only a minority stake ranking is Accor is not ranked in category of Owned Rooms.

International hotel companies have about 50% of the total chain-affiliated supply in India, while their share of supply in the mid-priced hotel sector is only 33.7%.

Four of the top five chains in this sector are domestic chains, ITC Hotels (Fortune hotels), Sarovar, Lemon Tree and Taj (Ginger hotels). Only Accor (Ibis, Ibis Styles, Formule One and Mercure), among the international chains, is in the top 5 position. Accor had the largest inventory growth between the fiscal year 2007 and the fiscal year 2017, followed by Lemon Tree and Sarovar both of which had similar inventory additions.

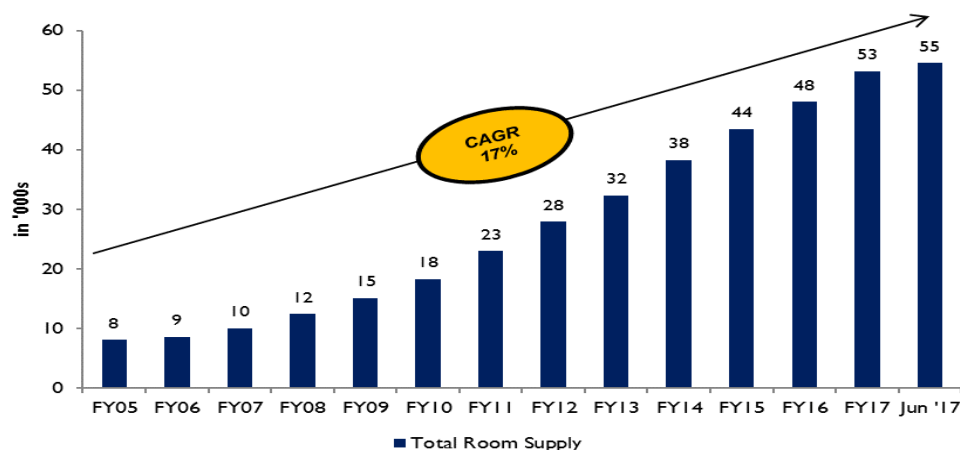
Lemon Tree is currently the leader in terms of controlling interest in owned and leased rooms, ahead of Taj (Ginger which is an economy brand with lower capital needs and revenue capacity), ITC Hotels (with a model that has limited investments in this sector) and Accor (which co-invests substantially in this sector, without having majority equity position or ownership control).

The following table sets forth the supply share of hotel rooms across India and in certain selected markets:

	Across India	Upper- Midscale (A)	Midscale (B)	Economy (C)	Total Mid-priced hotel sector: India (A+B+C)	Total Mid-priced hotel sector: Selected Markets ¹
Total Supply	125,359	24,840	22,370	5,993	53,203	30,308

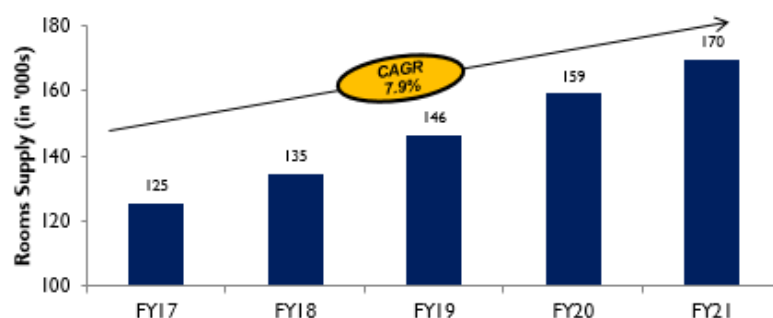
¹ Selected markets comprise of Ahmedabad, Alleppey, Aurangabad, Bandhavgarh, Bengaluru, Bhiwadi, Chandigarh, Chennai, Dahej, Dehradun, Goa, Hyderabad, Indore, Jaipur, Katra, Delhi-NCR Region, Pune, Tiruchirappalli and Vadodara.

The following chart sets forth the chain-affiliated supply of rooms across India across the mid-priced segment:



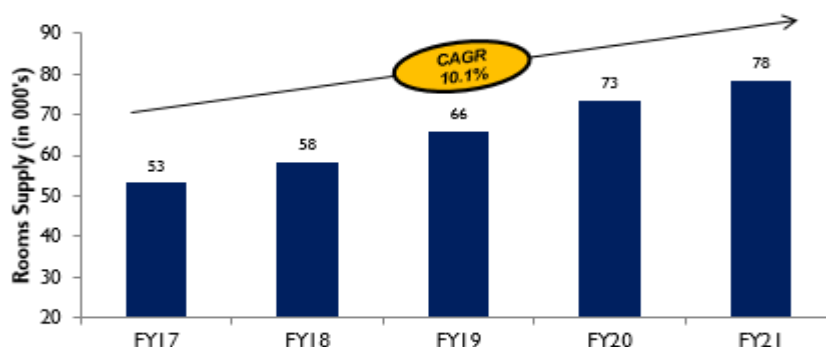
Source: Horwath HTL India

The following chart sets forth the expected future supply of hotel rooms across India:



Source: Horwath HTL India

The following chart sets forth the expected future supply of hotel rooms in the mid-priced hotel sector across India:



Source: Horwath HTL India

Barriers to Creation of Supply of Hotel Rooms

Development of hotels in India faces several challenges, principal among which are:

Land: Availability of land at locations that are suitable for hotels, and high cost of available land, creates limitations on hotel development and viability. Limited development rights and end-use restrictions on available sites creates further challenges. These factors often result in development of hotels with limited inventory.

Regulatory approvals: Hotel projects require several regulatory approvals and licenses, before implementation of the project and upon its completion prior to opening. The process of obtaining approvals can be time consuming and materially adds to the development lifecycle. Uncertainties associated with the timing of approvals have often caused delays in opening of hotels, these delays significantly add to interest cost during construction period and pressure on debt service obligations. Additionally, cost escalations occur due to delayed completion impacting project viability, funding of completion and initial operations, and project quality. Companies must plan for such cost escalations, including additional interest liability and cash flows required to meet these obligations.

Bank financing: In the backdrop of several hotel projects which are in debt default, bankers are extremely selective in providing development finance for hotel projects. Further, interest rates tend to be high - currently in the range of 11% to 14% with the lower range only being available to borrowers with established credibility.

Availability of equity capital: Hotel projects require sizeable equity capital for project development and to meet cash shortfalls during operations. Shortage of suitable equity capital is a significant constraint towards development of hotels, particularly a portfolio of assets or hotels with large inventory of rooms and other facilities.

Manpower shortages: Manpower shortages are increasing, particularly amongst staff and managers with sufficient operating experience and skills for hotels. This poses limitations for all hotels but more specifically for hotel operated by owners as independent properties.

Brand competition: The ability to create new hotel companies and brands is constrained by competitive pressure and more diversified backbone and management system needs for hotel companies. A recognised hotel company and brand that is already well entrenched in the market carries an advantage.

Key Demand Drivers

Business Travel

Business travel comprises of inbound and domestic visitation for business related purposes. This includes travel on corporate accounts and by individual business travellers. This segment is a predominant source of demand for hotels located primarily in business oriented locations such as Bengaluru Whitefield, Hinjewadi Pune, Gurugram, and Cyberabad in Hyderabad.

Demand is higher between Monday and Thursday, slowing down towards the weekend as business traveller's return to home base. Travel volumes are affected by public holidays and vacation periods that are observed nationally, regionally or locally, in additions to international holidays which impact hotels in locations, such as IT hubs which materially serve western markets. This trend is consistent with global markets which see international business travel drop materially, from mid-December to early January, due to Christmas and New Year holidays.

Select hotels also secure up to 15% of total demand from the extended stay segment i.e. guests staying for 15 days and longer in connection with projects, training programs, transfers and new jobs in a given location. Such demand particularly arises in hotels of upscale and superior standard. However there is potential for such demand at upper midscale hotels as well depending upon service and pricing.

Leisure Travel

Leisure travel comprises of vacation travel, including short duration vacations. Vacation travel is concentrated during school holidays (summer, Diwali and Christmas). Greater affordability, changing attitudes towards lifestyles and improved road and air connectivity have materially encouraged short stay vacations, including those taken on weekends and extended weekends. Seasonality of inbound leisure travel is different, varying more with climactic factors, so that it mainly occurs between October and March and to a lesser extent (with lower visitor profile and travel budgets) during the summer and monsoon seasons.

Leisure travel is both inbound and outbound and takes visitors to destinations such as beaches and waterfronts, the hills, activity centres such as theme parks, cultural and heritage centres such as the ones in Rajasthan, Agra and Hampi.

An emerging demand subset within leisure travel is by way of 'staycations' where guests stay at a hotel, within their city, for a short break mainly on weekends. Currently this demand is predominant at upper tier hotels though it has now started percolating to upper midscale and midscale hotels in some cities.

Leisure travel will be predominant for hotels that are in leisure destinations such as Goa, Jaipur, and Udaipur. City centre hotels in mainly business cities may secure some staycation business or even some leisure business if the city has the draw for this. However hotels in primarily business oriented locations are unlikely to secure any leisure demand.

MICE Visitation

MICE visitation is mainly corporate driven for conferences, training programs and other events that are of customer-facing intent. The demand tends to arise during the working week and occurs during several months of the year, barring the main holiday periods and the months from March through May. MICE demand tends to carry a price sensitivity. Travelers with flexibility in timing, may choose off-season months to have access to lower rates. Hotels in predominantly business locations will generate MICE demand for training and corporate seminars which could be day or residential events. Conferences that include recreational elements, choose city centre locations and resort destinations.

India has a huge opportunity for international MICE, once it develops proper convention centres. At present, MICE events are hosted in premium hotels with large function spaces, hotels at mid-priced and lower positioning tend to attract more moderate sized and localized demand for meetings, trainings and seminars.

Weddings and social travel

Weddings and social travel mainly involve domestic visitation for family weddings, destination weddings and other family celebrations. Other social demand also arises from time to time with guests increasingly seeking to use hotels in preference to the earlier practise of staying with family or at family houses. Such demand will likely gravitate to hotels that have the function areas, guest room capacity and also the quality to host such events at a level consistent with the status of the host. This does not however rule out upper-midscale and mid-scale hotels, because these can cater to the price sensitive demands in of bigger cities, in fact such hotels are often market leaders in Tier II and Tier III and could then attract the higher element of local demand in those markets.

Diplomatic Travel

Diplomatic travel brings in government leaders and representatives of other countries, arriving for specific purposes and often accompanied by large trade delegations, as well as diplomats posted to India and using hotels during the transition period. This demand is typically seen in major capital cities and other major cities that are source markets for international travel. Thus, New Delhi gets the bulk of such demand followed by Mumbai.

Airlines and airline crew

This demand set helps create a core of demand for hotels, albeit at significantly discounted pricing. Crew demand could arise from international and domestic carriers, while the major international airlines will use upper tier hotels, more price sensitive airlines are open to using upper midscale hotels. This demand is relatively nominal and mainly occurs at hotels that are closer to the airports.

The following table sets forth the passenger movement in million for the following periods:

Year	Top 10 Markets	All India	Top 10 Markets Share (%)
Fiscal Year 2008	92.2	114.7	80
Fiscal Year 2013	120.3	159.1	76
Fiscal Year 2017	195.9	264.5	74

Source: Airports Authority of India

Transit demand

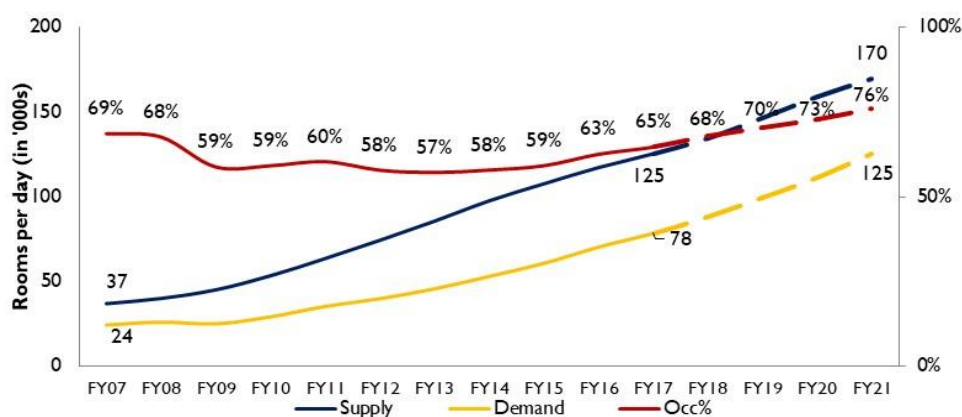
Persons at overnight transits between cities also need to use hotel accommodations, which are typically located close to the point of onward journey. Transit demand could occur on the inward and/ or outward leg of international travel between cities that are connected through a regional hub.

Supply and Demand

Demand levels appear to be modest over the course of the last several years, particularly when taking into account the occupancy levels at hotels. Demand across all segments grew at a CAGR of 12.5% between the fiscal years 2007 and 2016. Supply grew at a CAGR of 13.7% during this period. For upscale and upper midscale segment, the demand to supply growth gap in terms of CAGR between the fiscal years 2007 to 2016 was at a -1.0 percentage point, and it was at +2.9 percentage points for the midscale and economy segments.

This slowdown in demand growth, starting from the global financial crisis and materially caused by a slowdown in the Indian economy, has resulted in a moderate performance in the industry. Lack of demand confidence, and business confidence, have created an inability in raising room rates to levels that are reasonable and which would be commensurate with the hotel property standards. This trend has changed over the last about 18 to 24 months with demand growth leading to gradually improved performance.

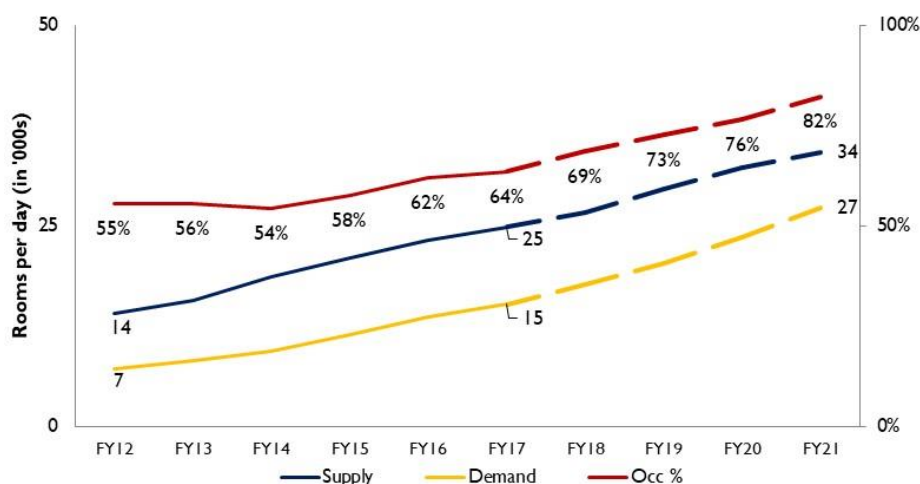
The following chart sets forth the supply and demand for hotel rooms across India:



Source: STR and Horwath HTL India

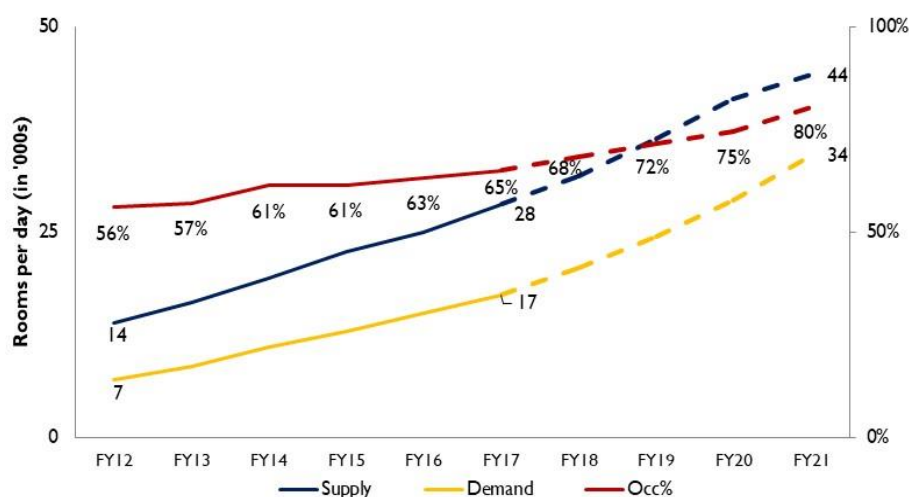
The chart above reflects the improved occupancy scenario over the last two years and a potential for occupancy growth in the foreseeable future, as the pace of demand has started to rise, while supply growth has slowed. There has been improved occupancy over fiscal years 2016 and 2017 and there is potential for occupancy growth, as the pace of demand has started to rise, while supply growth has slowed. Improved occupancies are expected to create a base for improvement in room rates. The upper midscale segment shows a gradually narrowing gap between supply and demand that begins in the fiscal year 2015. The trend of slower inventory creation is expected to continue up to the fiscal year 2021, as there have been fewer commitments made in the fiscal years 2016 and 2017 for new hotel projects. Mumbai is an example where occupancy rate has been over 70% for the last two years with a limited supply addition. The ADR for Mumbai city has increased by 6% between 2014 and 2016.

The following chart sets forth the supply and demand for hotel rooms in the upper midscale segment across India:



Source: STR and Horwath HTL India

The following chart sets forth the supply and demand for rooms in the midscale and economy segments across India:



Source: STR and Horwath HTL India

The midscale and economy segment has seen a varied extent of demand-supply gap with a period where the supply growth is slower and then periods of supply spurt. Supply additions comprised of about 3,200 rooms in the fiscal year 2015, followed by about 2,400 rooms and about 3,400 rooms in the next two years. Continued demand growth amidst strong domestic travel will see the current inventory and 15,000 new rooms expected in the next 4 years to be meaningfully absorbed, resulting in estimates of high occupancy levels.

The following table sets forth the comparison of demand composition between domestic and foreign guests:

Composition (%)	Average across India for the fiscal year 2014	Average across India for the fiscal year 2016	Four-Star	For Fiscal Year 2016 Three-Star	Two-Star
Domestic Guests	75.6	76.9	73.4	80.1	83.9

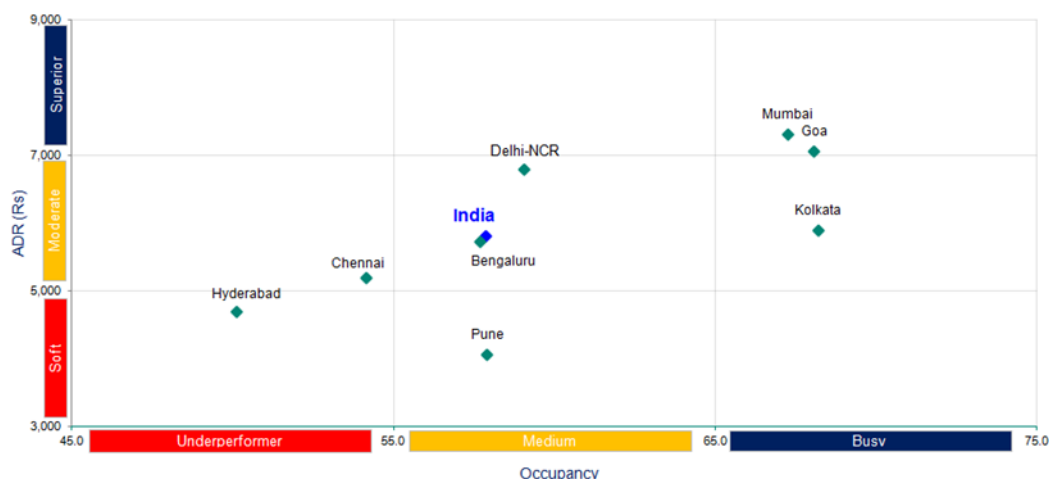
Composition (%)	Average across India for the fiscal year 2014	Average across India for the fiscal year 2016	For Fiscal Year 2016		
			Four-Star	Three-Star	Two-Star
Foreign Guests	24.3	23.1	26.6	19.9	16.1
Total	100	100	100	100	100

Source: FHRAI – India Hotel Industry Survey 2015-16 and India Hotel Industry Survey 2013-14 published by FHRAI and HVS South Asia

Over 75% of mid-priced demand arises from the domestic sector. The continuing shift towards domestic guests is clear, with a change of 1.3 percentage points in just 2 years. The E-visa scheme, was made effective as of November 2014 to foreign visitors. It has been successful in attracting inbound travel, as visitors can come in with short lead-time for the trip. This should help encourage foreign guests.

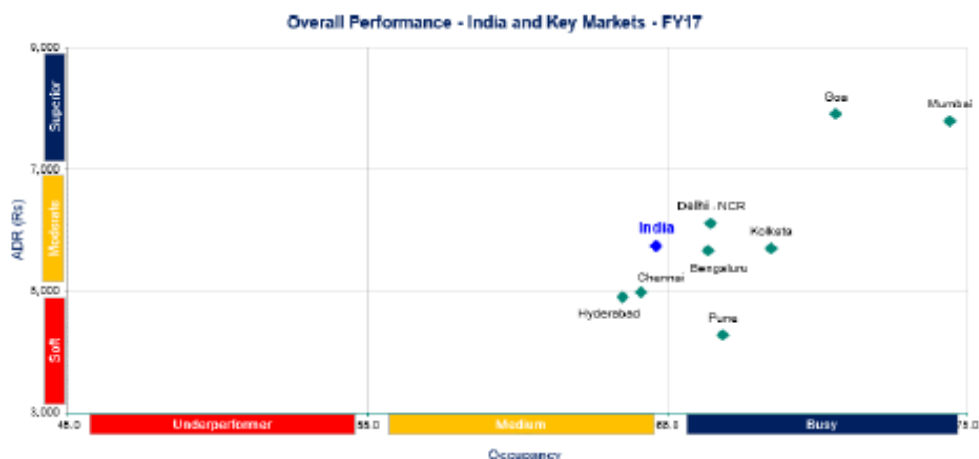
Performance of Key Markets

The following chart sets forth the overall performances of key markets in India for the fiscal year 2014:



Source: STR and Horwath HTL India

The following chart sets forth the overall performances of key markets in India for the fiscal year 2017:



Source: STR and Horwath HTL India

Most markets have moved to the right in the graph above, indicating sizeable occupancy improvements, the ADR movement upwards has been negligible with some markets such as Delhi-NCR, in fact moving downwards. However, it is necessary to recognize that the lower city-wide average daily rate is also a result of changing supply composition. As more mid-priced sector hotels come on board, the overall rate levels will naturally decline. Annual daily rate levels have improved in Mumbai and Goa due to consistently busy occupancy levels.

Performance of Hotels in India in Recent Years

The following table sets forth a comparison of operating performance across India for the fiscal year 2016:

Parameter	Average Across India	Average Across India's four star hotels	Average Across India's three star hotels	Average Across India's two star hotels
Occupancy (%)	62.1	63.4	61.7	61.4
ADR (₹)	5,128	4,173	3,023	2,058
RevPAR (₹)	3,179	2,646	1,865	1,264
Manpower Ratio/ Room	1.6	1.7	1.6	1.3

Source: All India Data: FHRAI study for the fiscal year 2016 published by FHRAI and HVS South Asia

The following table sets forth the revenue composition of the average of chain-affiliated hotels across India for the fiscal year 2016:

Hotel Category	Four star hotels (%)	Three star hotels (%)	Two star hotels (%)
Rooms	54.2	50.8	53.0
Food and Beverages	27.0	34.0	35.5
Banquets and conferences	13.7	9.6	6.7
Telephone and other	0.3	0.1	0.2
Minor Operated	2.0	1.8	0.8
Rental and others	2.8	3.6	3.8

Source: All India Data: FHRAI study for the fiscal year 2016 published by FHRAI and HVS South Asia

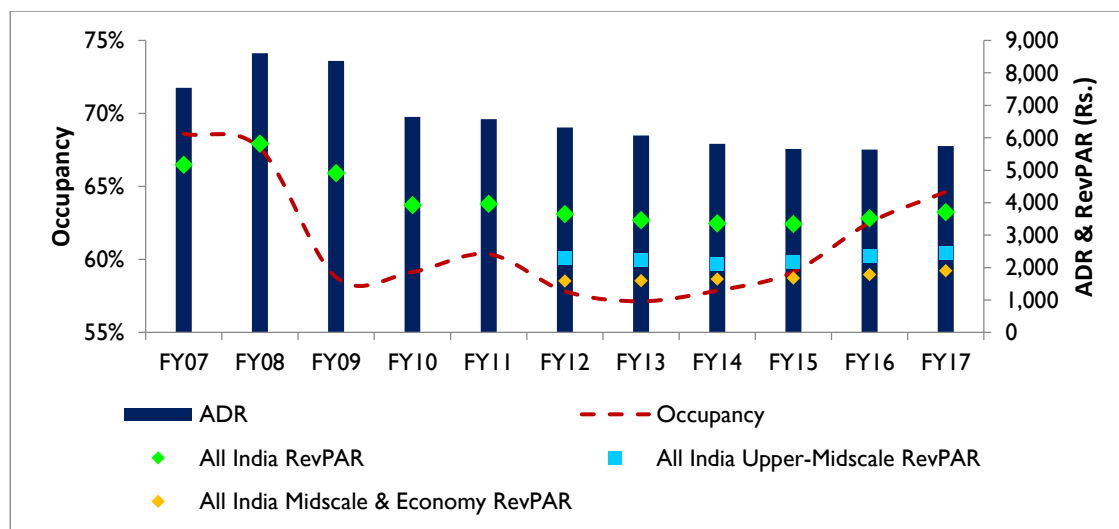
Food and beverage offerings (including banquets and meetings) are an important element of overall guest expectations in India, with particular need at hotels outside the main metros; in fact this market need also reflects substantial revenue potential.

The following table sets forth the operating performance of the average of chain-affiliated hotels across India per available room (PAR) for fiscal year 2016:

Parameter (₹ PAR)	Average Across India	Average Across India's four star hotels	Average Across India's three star hotels	Average Across India's two star hotels
Total Revenue	2,257,338	1,734,794	1,286,723	836,034
Total Expenses	1,501,294	1,186,296	881,952	599,385
Total Expenses (% of Total Revenue)	66.5	68.4	68.4	71.7

Source –All India Data: FHRAI study for the fiscal year 2016 published by FHRAI and HVS South Asia

The chart below illustrates the change in occupancy, ADR and RevPAR across India between the fiscal years 2007 and 2017:



Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Year on year change in ADR (%)	-*	+14	-3	-21	-1	-4	-4	-4	-3	+0	+2 [#]
Occupancy (%)	69	68	59	59	60	58	57	58	59	63	65

* ADR for fiscal year 2007 was ₹ 7,543.

[#] ADR for fiscal year 2017 was ₹ 5,745.

Source: Horwath HTL India

The hotel sector in India experienced a decrease in occupancy between the fiscal years 2008 and 2009 and again between the fiscal years 2011 and 2013. This was primarily due to the difference between supply and demand in these periods which was caused by a substantial growth in supply and a decline in demand. The occupancy rates across India remained at 57% between the fiscal years 2012 to 2014 and grew marginally in the fiscal year 2015. During fiscal year 2012 to 2015, 43,775 rooms were added creating nearly 70% new capacity; simultaneously the economy and demand patterns were slow.

Slackening of occupancy invariably leads to rate decline thereby impacting RevPAR levels. Further, rate revival lags occupancy revival. Rates are expected to move upwards once constraints on bookings lead to increased demand and willingness to pay higher rates. As a result, while occupancy levels improved between the fiscal years 2010 to 2011, RevPAR levels declined (for the fiscal year 2010) and remained stagnant in the fiscal year 2011. Occupancy levels have increased since the fiscal year 2014 and even more notably since the fiscal year 2015, as demand conditions have improved and the rate of new supply has decelerated. The upward trend in RevPAR has been led by occupancy, and is expected to continue. Further, ADR is expected to improve due to high occupancy levels.

ADRs across markets and India are also impacted by change in the supply composition, with an increase in supply share of lower priced hotels as compared to the luxury and upper-upscale hotels. In relation to the performance of chain-affiliated hotels across India between the fiscal years 2012 and 2017, the ADR decrease was 9.0% for the entire segment, compared to a decrease of 6.8% for the upper midscale segment and an increase of 1.5% for the midscale and economy segment. Between the fiscal years 2012 and 2017, demand growth for upper midscale and midscale-economy segments exceeded supply growth, enabling a less severe impact on ADR and positive RevPAR. The upper midscale segment occupancy increased from 55.5% for the fiscal year 2012 to 63.6% for the fiscal year 2017, while number of rooms increased by 10,800. For the midscale–economy segment, occupancy improved from 56% for the fiscal year 2012 to 65% for the fiscal year 2017, while number of rooms increased by 14,500. This is an important indicator of the potential for mid-priced segment hotels in India. Increased availability of such hotels with affordable pricing is beneficial for domestic business and leisure visitors and inbound business visitors. It also facilitates a gradual shift from alternative forms of accommodation (guest houses and staying with relative to hotels).

The following table sets forth the changes in performance of chain-affiliated hotels across India, for the period specified:

Fiscal Year	All segments	Upper Midscale	Midscale and Economy
Occupancy (%)			
Fiscal year 2007	68.6		
Fiscal year 2012	57.8	55.5	56.0
Fiscal year 2017	64.6	63.6	65.0
Fiscal year 2021 (F)	76.0	82.1	80.4
ADR (₹)			
Fiscal year 2007	7,543		
Fiscal year 2012	6,315	4,138	2,842
Fiscal year 2017	5,745	3,858	2,931

F = Horwath HTL India forecast

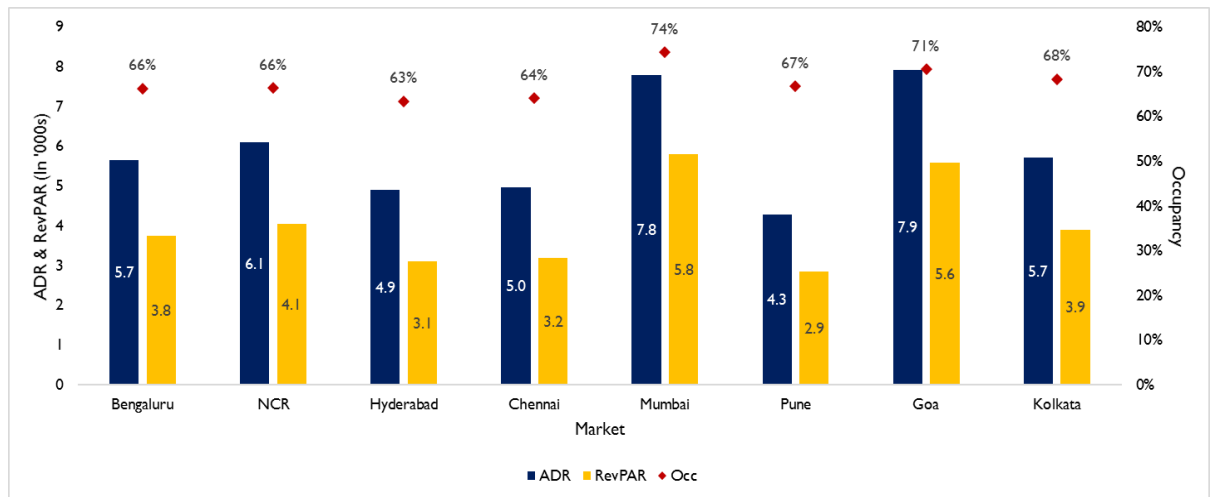
The following table sets forth key growth parameters of chain-affiliated hotels across India:

Period	CAGR (%)		
	All segments Fiscal Year 2007 to 2017	Upper Midscale Fiscal Year 2012 to 2017	Midscale & Economy Fiscal Year 2012 to 2017
Supply	13.0	12.1	15.3
Demand	12.4	16.5	19.6
ADR	(2.7)	(1.4)	0.6
RevPAR	(3.3)	1.4	3.7
Period	Fiscal Year 2017 to 2021	Fiscal Year 2017 to 2021	Fiscal Year 2017 to 2021
Supply growth (F)	7.9	8.3	11.7
Demand growth (F)	12.4	15.6	18.6

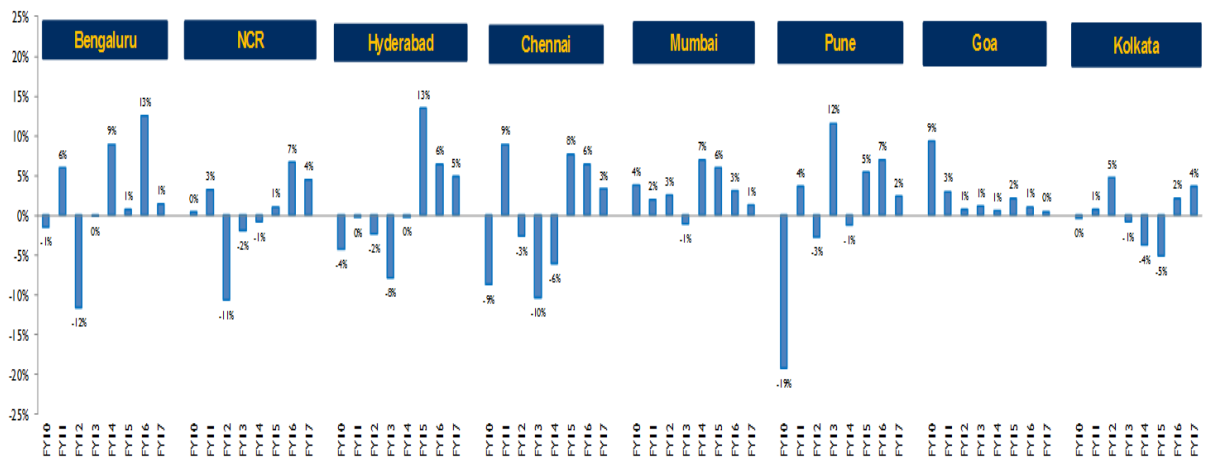
F = Horwath HTL India forecast

Performance of Select Geographical Markets in India

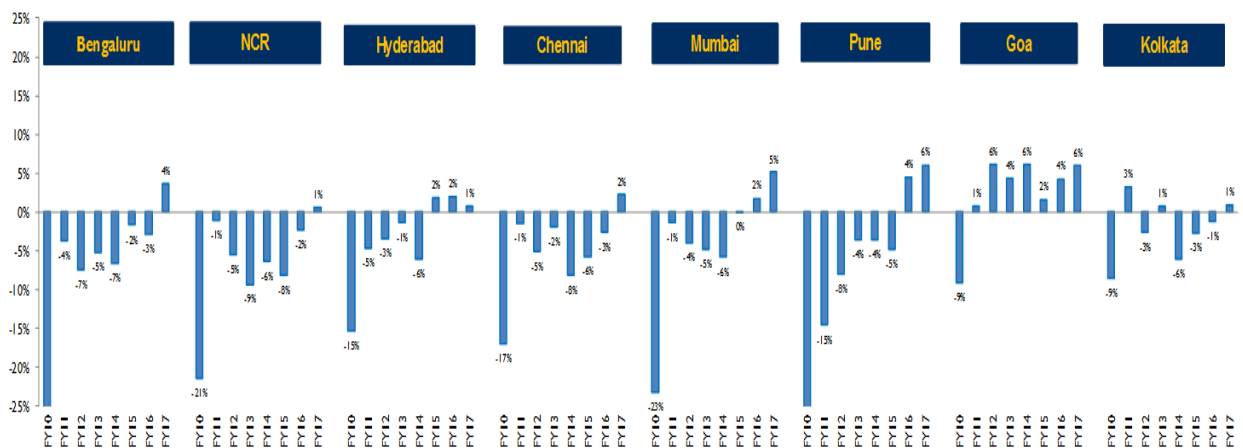
The following chart sets forth the performance of select geographical markets for the fiscal year 2017:



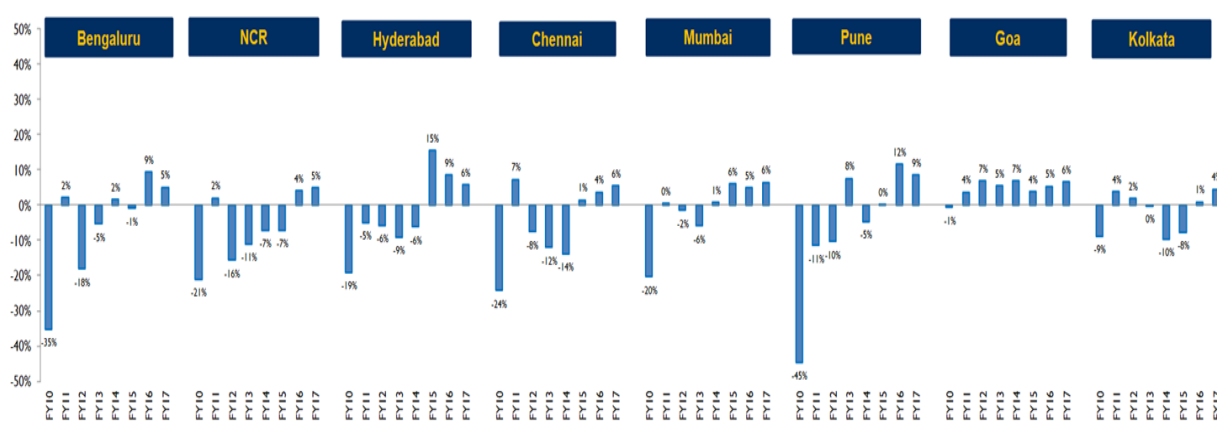
The following chart sets forth the trend in changes in occupancy for select geographical markets, for the periods specified:



The following chart sets forth the trend in the changes in ADR for select geographical markets, for the periods specified:



The following chart sets forth the trend in the changes in RevPAR for select geographical markets, for the periods specified:



The following table sets forth the RevPAR across India and for select geographical markets, for the periods specified:

Market	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	YoY Growth comparison between fiscal years 2017 and 2016 (%)	YoY Growth comparison between fiscal years 2016 and 2015 (%)
Bengaluru					
All segments	3,757	3,575	3,269	5.1	9.4
Upper Midscale	2,582	2,467	2,214	4.7	11.4
Midscale	2,029	1,849	1,467	9.7	26.0
NCR					
All segments	4,064	3,871	3,718	5.0	4.1
Upper Midscale	2,717	2,521	2,221	7.8	13.5
Midscale	2,404	2,175	2,000	10.5	8.7
Economy	1,406	1,448	1,308	-2.9	10.7
Hyderabad					
All Segments	3,120	2,950	2,719	5.8	8.5
Chennai					
All Segments	3,189	3,022	2,913	5.5	3.7
Midscale	2,017	1,944	1,792	3.8	8.5
Pune					
All Segments	2,862	2,636	2,361	8.6	11.6
Midscale	2,003	1,860	1,527	7.7	21.9
Goa					
All Segments	5,595	5,254	4,989	6.5	5.3
Midscale	2,760	2,837	2,685	-2.7	5.7

The following table sets forth the growth of demand and supply of rooms for select geographical markets, for the period specified:

Market	Period	Supply CAGR (%)	Demand CAGR (%)
Bengaluru			
All segments	Fiscal Year 2007 to 2017	17.9	16.8
All segments	Fiscal Year 2015 to 2017	6.9	16.0
Upper Midscale	Fiscal Year 2015 to 2017	9.6	21.8
Midscale	Fiscal Year 2015 to 2017	3.7	15.2
NCR			
All segments	Fiscal Year 2007 to 2017	14.1	12.2
All segments	Fiscal Year 2015 to 2017	7.6	13.3
Upper Midscale	Fiscal Year 2015 to 2017	8.6	17.2
Midscale	Fiscal Year 2015 to 2017	8.0	13.6
Economy	Fiscal Year 2015 to 2017	5.0	8.4
Hyderabad			
All segments	Fiscal Year 2007 to 2017	15.6	18.4
All segments	Fiscal Year 2015 to 2017	3.9	10.7
Chennai			

Market	Period	Supply CAGR (%)	Demand CAGR (%)
All segments	Fiscal Year 2007 to 2017	12.3	11.6
All segments	Fiscal Year 2015 to 2017	8.7	14.8
Midscale	Fiscal Year 2015 to 2017	12.8	27.9
Pune ¹			
All segments	Fiscal Year 2008 to 2017	23.9	24.2
All segments	Fiscal Year 2015 to 2017	5.8	11.1
Midscale	Fiscal Year 2015 to 2017	4.1	11.0
Goa			
All segments	Fiscal Year 2007 to 2017	10.7	10.3
All segments	Fiscal Year 2015 to 2017	10.2	9.9
Midscale	Fiscal Year 2015 to 2017	28.0	15.3
Mumbai			
All segments	Fiscal Year 2007 to 2017	5.8	5.6
All segments	Fiscal Year 2015 to 2017	2.2	5.7
Kolkata			
All segments	Fiscal Year 2007 to 2017	8.9	7.6
All segments	Fiscal Year 2015 to 2017	9.3	11.5

¹ The data for Pune is only available after the fiscal year 2008.

Bengaluru

Bengaluru has an evenly distributed mix of rooms between various hotel segments. The market has seen a substantial growth of supply across segments in recent years. Demand is relatively higher in certain value-priced hotels which are spread across different micro-markets within the market, due to traffic constraints, thereby drawing away some demand from more centrally located upper-tier hotels. There has been a continued supply growth for hotel rooms in Bengaluru, 4,692 new rooms have been added of which 2,439 rooms are luxury and 1,067 are upscale category rooms between the fiscal years 2012 and 2016. The market experiences lack of demand diversity and is dependent on business travel. There is a potential for demand from aerospace and defence sectors. Higher occupancy levels are estimated in the short term, for different micro-markets within the city, with moderate growth rates expected.

NCR

NCR is a relatively large market with concentration of mid-priced sector hotels in certain areas. The market experienced a significant supply increase in recent years, for example, 9,300 new rooms were added between the fiscal years 2011 to 2014. Further approximately 4,200 rooms were added between fiscal years 2015 and 2017. Mid-priced hotels have performed better than the upper segment hotels, with a potential for higher rates and occupancy levels.

Delhi Aerocity

The new supply of rooms the micro-market is nearly complete, with only 200 rooms and certain apartments left to be opened by the calendar year 2018. There is expected to be limited expansion, with midscale and economy segment hotels having only approximately 300 rooms near the airport terminal. Hotels in the upper upscale segment tend to have large function spaces which attract MICE and weddings to Aerocity, which is expected to increase the demand for mid-priced sector hotels. Aerocity has central location, which helps serve the demand for hotel rooms for people headed to Delhi and Gurugram, airline crews and transit guests. There is expected to be economic growth with increased foreign direct investments and an expected increase in capacity expansions at IGI Airport (from 55 million to 75 million passengers by 2020, and 92 million passengers by 2025). Certain hotels are expected to benefit from GST replacing the luxury tax in Delhi.

Gurugram

Gurugram has a substantial new inventory, with 2,744 rooms expected to be added by the fiscal year 2021, which is expected to include 1,600 rooms in the mid-priced sector. Demand is expected to remain concentrated to business travel and MICE segments, while weddings are also expected to drive some increase in occupancy levels. There is expected to be a continued demand growth at a steady pace, however this could possibly be impacted by a deceleration in growth of the IT sector. There has been an increase in competition from Aerocity hotels, which are benefitting from GST replacing the high luxury tax in Delhi.

Hyderabad

Hyderabad has gained from the return of growth and demand in the general market, after the creation of the state of Telangana. The overall performance is moderate, improving from the 50.1% occupancy it was at for the fiscal year 2014. There has been a moderate supply growth of 1,600 rooms, between fiscal years 2014 and 2017, which are spread over different categories. There is expected to be 8.3 million square-foot of new commercial space by the fiscal year 2018. The state government is actively promoting investment in the city and state. Deceleration in growth of the IT sector may result in shift of demand to mid-priced sector hotels from upper hotel segments.

Chennai

Chennai had a growth in supply between the fiscal years 2013 to 2016, adding 3,500 rooms in a four year period, together with 1,100 rooms which were opened in the fiscal years 2011 and 2012. Occupancy levels declined to 54.2% in the fiscal year 2014 and have since gradually recovered, although ADRs remain muted. The growth of supply levels is expected to continue, with 1,220 new rooms to be added by the fiscal year 2021, these additions will predominantly be in the upper midscale (255 rooms) and midscale-economy (572 rooms) segments. An increase in the supply of mid-priced sector hotels is expected to result in moderate performance in the short term. The growth of the manufacturing and services sectors in the city is expected to create demand for hotel rooms, partially offset by the decline in the growth of the IT sector.

Pune

Pune experienced an increase in supply, approximately 5,800 rooms were added between the fiscal years 2008 and 2017, and is now experiencing reduced new supply and simultaneous positive demand growth in the fiscal years 2015, 2016 and 2017. This has helped increase occupancy to 66.8% for the fiscal year 2017 from 52.5% for the fiscal year 2012. New commercial space of 2 million square-feet is expected to be added by the first quarter of 2018, which is expected to benefit the expansion of the service sector. The growth in the manufacturing sector in Pune is also expected to increase demand for hotels, partially offset by a decline in the growth of the IT sector.

Goa

Goa is predominantly dependant on leisure and MICE travel, with a premium being charged in certain peak seasons. There is expected to be a limited supply of new rooms, i.e., 1,628 rooms, until the fiscal year 2021, primarily in upscale and upper midscale segments. A new airport at Mopa, Goa, and a new convention centre are expected to increase demand in Goa. Implementation of GST may negatively impact higher priced hotels on a short or medium term basis, while mid-priced hotels may benefit from lower rates.

Mumbai

The supply for new hotels is moderate with the majority of the new supply located north Mumbai. A convention centre which is expected to open in calendar year 2018 is expected to increase demand, with limited room inventory in its vicinity. This is expected to help increase overall demand in north Mumbai. Business travel and MICE are expected to be the main sources of demand. Demand from airline crew is expected to continue to grow and may result in increased demand for hotels outside the upper tier, in the event ADR levels rise.

Kolkata

There continues to be a growth in the supply of rooms in Kolkata. Approximately 1,850 rooms are expected to be added by the fiscal year 2021. Certain new upper segment hotels have become operational and the limited gap between upper tier rates and upscale / upper-midscale segment rates is expected to continue.

Udaipur

There is expected to be an increase in demand due to the expansion of the Udaipur airport into international travel. There is expected to be a limited supply of new rooms, i.e. 937 rooms by the fiscal year 2021.

OUR BUSINESS

The industry information contained in this section is derived from a report titled “Industry Report - Mid Priced Hotel Sector” dated September 9, 2017 prepared by Horwath HTL India. Neither we, nor the GCBRLMs, the BRLM, 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 Horwath 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 15, 119 and 210, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus

Overview

We are India’s largest hotel chain in the mid-priced hotel sector, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. We are the ninth largest hotel chain in India in terms of owned, leased and managed rooms, as of June 30, 2017, according to the Horwath Report. We operate in the mid-priced hotel sector, consisting of the upper-midscale, midscale and economy hotel segments. We seek to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition. We opened our first hotel with 49 rooms in May 2004. We operated 4,289 rooms in 40 hotels (including managed hotels) across 24 cities in India as of July 31, 2017.

Our vision is to be India’s largest and most preferred chain of hotels and resorts in each of the upper-midscale, midscale and economy hotel segments. Due to the dynamic and evolving nature of Indian guests’ expectations and based on our market research, we have created three brands in order to address these three hotel segments:

- ‘Lemon Tree Premier’ which is targeted primarily at the upper-midscale hotel segment catering to business and leisure guests who seek to use hotels at strategic locations and are willing to pay for premium service and hotel properties;
- ‘Lemon Tree Hotels’ which is targeted primarily at the midscale hotel segment catering to business and leisure guests and offers a comfortable, cost-effective and convenient experience; and
- ‘Red Fox by Lemon Tree Hotels’ which is targeted primarily at the economy hotel segment.

We believe that by offering convenient locations, quality and value across the mid-priced hotel sector, we have created a competitive advantage in our chosen markets, which, according to the Horwath Report, have traditionally been underserved in terms of presence of chain affiliated hotels and are generally served by independent hotels with fragmented and localised ownership. Our hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. The mid-priced hotel sector is expected to have competitive benefits in offering domestic travellers with hotel solutions in tier II and tier III cities, as per the Horwath Report.

Our operations are spread across the value chain and range from acquiring land to owning, leasing, developing, managing and marketing hotels. We undertake our business through: (i) direct ownership of hotel properties, (ii) long-term lease or license arrangements for the land on which we construct our own hotels, (iii) long-term leases for existing hotels which are owned by third parties, and (iv) operating and management agreements. As of July 31, 2017, we have a portfolio of 19 owned hotels, three owned hotels located on leased or licensed land, five leased hotels and 13 managed hotels. We also have project design, management and development capabilities through our Subsidiary, Grey Fox Project Management Company Private Limited (“**Grey Fox**”).

In order to maintain our leadership position in the mid-priced hotel sector, we have focussed on the following aspects of our operations:

- developing projects and delivering operating cost structures which are economical and consequently enable us to offer a value-for-money proposition to our guests. We endeavour to achieve quicker timelines from development to commencement of operations for our hotels and maintain consistent brand experience at lower costs;
- endeavouring to deliver quality service with an emphasis on employee selection, training and engagement. We believe that our service standards have resulted in higher than average occupancy rates and guest satisfaction. In the fiscal year 2017, our owned and leased hotels had an average occupancy rate of 76.8%. In the fiscal year 2016, our owned and leased hotels had an average occupancy rate of 75.1%, while the average occupancy rate across all participating hotels in India was 62.1% for the same period, according to the Horwath Report. Further, 24 out of our 33 hotels (which were operational for at least a year and were eligible for receiving this recognition) were awarded the TripAdvisor Certificate of Excellence for 2017; and
- differentiating ourselves through our sustainability initiatives and human resources strategy. We provide employment to opportunity deprived Indians, including differently-abled individuals as well as those from economically, educationally and socially marginalized sections of society. We believe these initiatives lead to an engaged and committed workforce. We have been ranked among the “Best Companies to Work for” in India for seven consecutive years from 2011 to 2017, by the Great Place to Work Institute, including in 2017 when we were ranked the fourth “Best Company to Work for” in India and were the only hotel company in the top 10.

Our Promoter, Mr. Patanjali Govind Keswani, who is also our Chairman and Managing Director, has approximately three decades of experience in the hotel and hospitality industry. He has demonstrated ability to manage and grow our operations organically and also by acquiring and integrating hotels. Our shareholders include marquee investors such as funds affiliated with Warburg Pincus and APG, a Netherlands based asset manager of pension funds.

Our revenue from operations was ₹ 4,119.34 million for the fiscal year 2017, and our revenue from operations grew at a CAGR of 17.68% between the fiscal years 2013 and 2017.

Recent Developments

We have commenced operations at our managed hotel, Lemon Tree Premier, Patna, in September 2017 which has 105 rooms and was under development, as of July 31, 2017. Accordingly, references to rooms or hotels under development as of July 31, 2017 elsewhere in this section include this hotel and rooms therein.

Further, we have entered into a hotel operation and management agreement dated August 1, 2017, for a managed hotel in Dwarka, Gujarat, under our Lemon Tree Premier brand, catering to the upper-midscale hotel segment. This hotel in Dwarka, Gujarat, is estimated to have 108 rooms and is expected to be operational by February 2019.

Our Strengths

Leading mid-priced hotel chain with a differentiated business model

According to the Horwath Report, the growth in per capita income, changing demographic dynamics, rising urbanization, growth in domestic travel and higher discretionary spending trends, is expected to assist the growth of the hotel industry in India. We are India’s largest hotel chain in the mid-priced hotel sector, and the third largest overall, in terms of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. We are the ninth largest hotel chain in terms of owned, leased and managed rooms, as of June 30, 2017, according to the Horwath Report. We have a portfolio of 40 hotels spread across 24 cities, as of July 31, 2017. As of June 30, 2017, our rooms comprised 4.22% of upper-midscale, 7.65% of midscale and 15.30% of economy rooms, aggregating to 6.91% of all mid-priced rooms, available across chain affiliated hotels in India, according to the Horwath Report.

We are well placed to benefit from the expected growth in the mid-priced hotel sector in India by leveraging our existing market position in India, geographical spread, presence in key micro-markets, our hotels under development and value-for-money proposition. The key factors which contribute to our leadership position include:

- *Strong operational performance*

We have competencies and significant experience as a developer and operator of hotels. We endeavour to develop hotels within budgeted costs and timelines while adhering to quality standards. Our focus on managing development cost per room, maximizing revenue through higher occupancies and controlling operating expenses through employee engagement and productivity, enables us to deliver improved operating margins. The average development cost per

room (excluding the cost of land), for our owned hotels (including owned hotels located on leased or licensed land), developed between the fiscal years 2011 and 2015 was ₹ 5.9 million, ₹ 5.0 million and ₹ 4.5 million in the upper-midscale, midscale and economy hotel segments, respectively, which was lower than the average of select hotels in the respective hotel segments, for the same period, according to a survey conducted by HVS (India – 2016 Hotel Development Cost Survey). The table below sets forth certain key operational parameters for our owned and leased hotels:

	Upper-Midscale			Midscale			Economy		
	Lemon Tree Premier	Industry*		Lemon Tree Hotels	Industry*		Red Fox Hotels	Industry*	
Fiscal Year	2017	2016	2016	2017	2016	2016	2017	2016	2016
ADR ¹ (₹)	4,123	3,834	4,173	3,522	3,321	3,023	2,372	2,278	2,058
Average occupancy ² (%)	74.6%	78.3%	63.4%	77.1%	73.3%	61.7%	79.1%	75.1%	61.4%
Rev PAR ³ (₹)	3,075	3,001	2,646	2,716	2,433	1,865	1,877	1,711	1,264
Average total hotel revenue per room ⁴ (₹)	1,729,431	1,587,793	1,734,794	1,423,353	1,332,894	1,286,723	918,236	854,436	836,034
Average operating expense per room ⁵ (₹)	978,477	887,601	1,186,296	821,141	815,440	881,952	521,895	477,314	599,385
Staff per room ratio ⁶	1.09	1.15	1.7	1.17	1.15	1.6	0.74	0.75	1.3

*Source: The Horwath Report; data for all participating hotels in each hotel segment; see “**Industry Overview – Performance of Hotels in India in Recent Years**” on page 129.

¹ ADR represents revenue from room rentals at our owned and leased 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 divided by the total number of room nights available at a hotel or group of hotels.

³ RevPAR is calculated by multiplying ADR and average occupancy.

⁴ Total hotel revenue includes revenue from operations of owned and leased hotels (including revenue from room rentals, food and beverage and other revenue) together with certain non-operating revenue collected at owned and leased hotels. Average total hotel revenue per room is calculated by dividing total hotel revenue for a fiscal year by number of available rooms as of March 31 of the relevant fiscal year.

⁵ Operating expenses comprises of expenses towards food and beverages consumed, employee benefit expense and other expenses such as power, fuel and water, repair and maintenance, license fees, traveling expenses, rates and taxes, marketing and commission paid to travel agents. Average operating expense per room is calculated by dividing operating expense for a fiscal year by number of available rooms as of March 31 of the respective fiscal year.

⁶ Staff per room is calculated by dividing total staff at the end of a fiscal year by number of available rooms as of March 31 of each fiscal year. Staff includes our employees and personnel engaged on a contractual basis at our owned or leased hotels.

- **Focus on domestic guests**

For the fiscal year 2016, approximately 85.9% of our hotel guests were domestic users, compared to an average of 76.9% for all participating hotels in India, according to the Horwath Report. Domestic travel volumes have grown at a CAGR of 13.7% between the calendar years 2001 and 2016 and this trend is expected to continue in line with increasing urbanisation and higher disposable income available with the expanding Indian middle class, according to the Horwath Report. According to the Horwath Report, under 2% of domestic travel translates to hotel stays and is expected to continue to provide growth for the hotel sector, particularly for business, leisure, MICE (meetings, incentives, conferences and events) and social travel segments.

Strategically positioned in key geographical areas

Our hotels are located in major metro regions in India, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities in India such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. In the leisure hotel segment, we operate a resort and a hotel in Goa, one resort in the backwaters of Alleppey, Kerala and one wildlife resort in Bandhavgarh, Madhya Pradesh. We have strategically developed our hotels at locations with high barriers-to-entry within or close to major business centers, airports and other convenient locations. Our presence across the mid-priced hotel sector in India allows us to offer our guests with quality yet cost-effective hotel solutions in metro regions and tier I and tier II cities across India.

Further, we have focused on certain key micro-markets in order to address demand and optimize pricing. For example, we have 12 operational hotels, with 1,430 rooms, as of July 31, 2017 in the National Capital Region (“NCR”). Our geographical spread across India and presence in key micro-markets enables us to cater more effectively to our corporate clients and business travellers. As of July 31, 2017, we also have a development pipeline of 2,783 rooms.

The table below demonstrates the geographical spread and breakdown of our existing hotels and hotels under development, as of July 31, 2017:

	Upper-Midscale Rooms (Hotels)	Midscale Rooms (Hotels)	Economy Rooms (Hotels)	Owned or leased Rooms (Hotels)	Managed Rooms (Hotels)
Operational as of July 31, 2017					
NCR	502 (4)	473 (5)	455 (3)	1,165 (10)	265 (2)
Bengaluru	188 (1)	305 (2)	-	493 (3)	-
Chennai	-	162 (2)	-	108 (1)	54 (1)
Hyderabad	267 (1)	190 (1)	121 (1)	578 (3)	-
Pune	-	124 (1)	-	124 (1)	-
Ahmedabad	63 (1)	99 (1)	-	99 (1)	63 (1)
Goa	-	99 (2)	-	99 (2)	-
Others	108 (1)	638 (10)	495 (4)	505 (6)	736 (9)
Total	1,128 (8)	2,090 (24)	1,071 (8)	3,171 (27)	1,118 (13)
Under development as of July 31, 2017*					
Mumbai	736 (2)	-	-	736 (2)	-
NCR	-	372 (2)	-	-	372 (2)
Kolkata	142 (1)	-	-	142 (1)	-
Hyderabad	-	84 (1)	-	84 (1)	-
Pune	199 (1)	-	-	199 (1)	-
Others	312 (3)	847 (13)	91 (1)	331 (3)	919 (14)
Total	1,389 (7)	1,303 (16)	91 (1)	1,492 (8)	1,291 (16)

*Based on management estimates. See “Risk Factors - Statements as to the months in which our hotels under development are expected to open and the number of rooms expected in such hotels are based on management estimates and have not been independently appraised” on page 22. Number of rooms includes additional rooms under development in existing hotels.

See “– Description of Our Business – Our Hotel Properties” and “– Description of Our Business – Our Expansion Plans” on pages 146 and 149, respectively.

Present across the value chain

We are a hospitality platform with operations and competencies spread across the hotel value chain. Our operations range from acquiring land to owning, developing, managing and marketing hotels. We have acquired expertise and understanding in site selection, design, development, management and marketing of hotels in the mid-priced hotel sector across India, as follows:

- **Development and ownership**

One of our strengths has been the ability to identify strategically located land at reasonable rates. Our business development, project management and execution process teams are involved in gathering relevant market data and assessing the potential of different locations. Based on the location of the land available, its price and the existing hotel pricing and occupancy levels in the area, we assess which of our brands is most suitable for that location, in order to maximize returns.

Our experienced project management team endeavours to develop hotels, within budgeted costs and timelines while adhering to quality standards. We work with reputable vendor partners in order to deliver projects in a timely manner and at a competitive development cost per room. For example, the average development cost per room, for our owned hotels (including owned hotels located on leased or licensed land), developed between the fiscal years 2011 and 2015 was ₹ 5.9 million, ₹ 5.0 million and ₹ 4.5 million in the upper-midscale, midscale and economy hotel segments, respectively, which was lower than the average of select hotels in the respective hotel segments, for the same period, according to a survey conducted by HVS (India – 2016 Hotel Development Cost Survey). See “– Description of Our Business – Execution, Construction and Safety Standards” on page 154 for details of our development timelines.

- *Hotel operations*

Our hotel operations team seeks to ensure standardized pre-opening and seamless day-to-day operations, at high levels of service and cost efficiencies. We follow a dynamic pricing policy based on various factors including anticipated demand, market conditions, inflation, competition, the state of micro-markets in which we operate and the economy in general. Our aggregate operating costs for our owned and leased hotels, expressed as a percentage of our total revenue were 58.4% compared to an average of 66.5% for all participating hotels during fiscal 2016, according to the Horwath Report. Our ADR was ₹ 3,834, ₹ 3,321 and ₹ 2,278 for our owned and leased hotels in the upper-midscale, midscale and economy hotel segments compared to the average across all participating hotels of ₹ 4,173, ₹ 3,023 and ₹ 2,058, respectively, for the fiscal year 2016, according to the Horwath Report. See “**Industry Overview – Performance of Hotels in India in Recent Years**” on page 129 for further details.

- *Sales and marketing*

Our sales, marketing, revenue management and customer relationship management teams work together to increase hotel occupancies enabling our newly opened hotels to achieve operational and financial targets. We also leverage our loyalty program, *Lemon Tree Smiles*, to conduct low-cost, targeted sales promotion with our database of 586,461 guests, as of July 31, 2017. We also have a corporate guest loyalty program, *Lemon Tree Engage*, which had 15,452 members, as of July 31, 2017. See “– **Description of Our Business – Reservations and Sales**” on page 152.

Focus on brand excellence, providing a value-for money proposition and strengthening employee culture

Our well-differentiated brands target distinct segments in the mid-priced hotel sector, which enables us to avoid brand overlap or dilution. Our approach of owning and leasing hotels, which are designed and built or converted to our specific brand standards, has enabled us to build a portfolio of proprietary brands with uniform quality and operational parameters. We believe our brands are recognised for quality and consistency across various price points in the mid-priced hotel sector. For example, TripAdvisor awarded the Certificate of Excellence for 2017, to 24 out of our 33 hotels (which were operational for at least a year and were eligible for receiving this recognition). Our three brands have a standardized design, appearance, decor, colour and lighting scheme. These brands also provide a set of standardized guest amenities thereby ensuring that we deliver a consistent experience to our guests. We have adopted a personnel management and training and learning model that has been replicated across our hotels, including implementation of standard operating procedures and skill enhancement training. See “– **Description of Our Business – Learning and Development**” on page 159.

We believe that our hotels are preferred for their convenient locations, value-for-money offerings and our efficient service, the combination of which leads to a differentiated guest experience. As a result of higher occupancy rates than corresponding industry averages, according to the Horwath Report, our RevPAR for our owned and leased hotels was ₹ 3,001, ₹ 2,433 and ₹ 1,711 in the upper-midscale, midscale and economy hotel segments respectively, for the fiscal year 2016, compared to the average of all chain affiliated hotels of ₹ 2,646, ₹ 1,865 and ₹ 1,264, in the upper-midscale, midscale and economy hotel segments respectively, for the fiscal year 2016, according to the Horwath Report.

We have instituted several inclusive culture and sustainability initiatives. We provide employment opportunities to opportunity deprived Indians including differently abled individuals and people from economically, educationally and socially marginalized sections of Indian society. We believe these initiatives lead to an engaged and committed workforce. We have been ranked among the “Best Companies to Work for” in India every calendar year from 2011 to 2017, by Great Place to Work Institute. In calendar year 2017, we were ranked the fourth “Best Company to Work for” in India and were the only hotel company in the top 10.

Experienced promoter and management team

Our promoter, Mr. Patanjali Govind Keswani, who is also our Chairman and Managing Director, has approximately three decades of experience in the hotel and hospitality industry. Our management team also has substantial experience in the hospitality industry. The strength of our management team and its understanding of the hospitality market in India enables us to continue to capitalize on current and future market opportunities. Our management team has a track record of improving hotel performance by well-planned refurbishment, professional centralized sales and marketing and disciplined cost control. Key members of our senior management team include Mr. Rattan Keswani, our Deputy Managing Director, Mr. Vikramjit Singh our President, Mr. Davander Singh Tomar, Executive Vice President-Corporate Affairs, Mr. JK Chawla, Executive Vice President-Projects and Engineering Services and Mr. Kapil Sharma, Chief Financial Officer, with an average of approximately 20 years of relevant experience. For further details of the profile and experience of our management team, see “**Our Management – Key Managerial Personnel**” on page 196.

Our Strategies

Strategic allocation of capital

We seek to expand our portfolio of owned hotel properties opportunistically, based on industry developments and supply and demand movements across the mid-priced hotel sector. Our strategy is to invest in buying land in demand dense markets when acquisition costs are low and we are able to obtain debt financing at suitable rates. We then leverage our strength as a developer of hotels, including experience of our project management and execution teams, including through our Subsidiary, Grey Fox, to construct and develop our hotels. Our approach has allowed us to allocate capital at opportune times to acquire land and build hotels as per schedule. Once our hotels are operational, we aim to take advantage of growing demand to maximize revenue and returns, as well as to reduce existing debt. The table below illustrates our debt equity ratio, industry average occupancy rates and our hotel and room portfolio for the last five fiscal years:

	As at March 31,				
	2013	2014	2015	2016	2017
Average Occupancy for the Industry* (%)	57	58	59	63	65
Our Debt to Equity Ratio [#]	0.44	0.51	0.46	0.50	0.65
Owned and leased rooms added in the fiscal year	-	414	197	212	45
Aggregate owned and leased rooms [#]	1,965	2,379	2,576	2,788	2,833

^{*}Source: The Horwath Report; data for participating hotels across all hotel segments, for the respective fiscal year.

[#]Debt to equity ratio is calculated by dividing our total borrowings(non-current financial liabilities-borrowing, current financial liabilities-borrowing and other financial liabilities – current maturity of long term borrowing) by our total equity, on a consolidated basis, as on March 31 of the respective fiscal year.

Further, as part of this strategy, we have also divested equity interest in certain operational hotels we own, through our Subsidiaries, Fleur Hotels Private Limited (“**Fleur**”), Begonia Hotels Private Limited (“**Begonia**”) and Nightingale Hotels Private Limited (“**Nightingale**”). In Fleur, Begonia and Nightingale, in addition to operational control, we have majority equity interest of 57.98%, 74.11% and 57.53%, respectively, and APG owns the remaining equity interest of 42.02%, 25.89% and 42.47%, respectively. The agreements entered into by our Company with APG and these Subsidiaries, enable our Company to closely monitor the management of the hotels as well as to apply a consistent management philosophy, including standardized processes for marketing and sales, to such hotels. As a result, we are able to increase revenues and reduce operational as well as capital costs.

This approach has enabled us to bear development risks initially, and raise capital through equity financing from APG once our hotels are operational. The capital raised from APG was deployed by our Subsidiaries primarily to purchase land and develop additional hotels. For example, 1,031 rooms across five hotels under development, as of July 31, 2017, are owned by these Subsidiaries. We intend to continue using this strategy to generate capital from select investors, in order to fund organic and inorganic growth opportunities, expand or redevelop our owned hotels, reduce debt and finance asset enhancement initiatives.

Grow our national footprint and diversify geographically

We seek to diversify our geographical footprint to reduce our exposure to local, seasonal and cyclical fluctuations as well as in order to access a more diversified guest base across geographies. We currently intend to enter new markets such as Mumbai, Kolkata and Patna, in order to expand our geographical footprint. As of July 31, 2017, we have a development pipeline of 2,783 rooms across 24 new and two existing hotels. These hotels are spread over 18 additional cities across India where we were not present as of July 31, 2017. In addition, we intend to focus our expansion efforts on demand dense markets, where we already have an established presence and can leverage existing presence to expand our market share. For example, in regions where we are already present, such as the NCR and Hyderabad, we intend to continue to develop hotels at cost-effective locations as well as and enter into low cost leases or management agreements to penetrate these micro markets.

We also intend to expand our hotel portfolio in India’s tier II and tier III cities by leveraging our brands. Our expansion in India’s tier II and tier III cities offers us potential for market share gains, brand recognition and economies of scale. Our development, ownership and operating experience in India’s metro, tier I and tier II cities provides us with the local knowledge and resources needed to facilitate our expansion quickly, efficiently and cost-effectively.

Expansion through development, acquisitions, leases and management agreements

We intend to expand our portfolio through development of hotels, acquisition of properties and entering into leases and management agreements that complement our brand attributes, increase our existing guest base and enhance guest loyalty

by providing a wider selection of locations, properties and services. We seek to expand our portfolio of owned properties opportunistically based on economies of the acquisition costs. We plan to invest in buying land and hotels or leasing hotels in demand dense markets with low penetration. We plan to increase the number of our owned hotels and hotels built on leased or licensed land from 22 hotels and 2,774 rooms as of July 31, 2017 to 28 hotels and 4,091 rooms, based on our hotels under development as of July 31, 2017. In addition, we seek to make strategic acquisitions in key micro markets, where we see opportunities.

We also intend to lease hotels through long term lease arrangements, based on market dynamics and the feasibility of leasing a hotel. Our analysis is based on internal profitability and return standards, as well as identifying potential locations where lease rentals are below our minimum expected earnings from such properties. We plan to increase the number of our leased hotels from five hotels and 397 rooms, to seven hotels and 572 rooms, based on our hotels under development, as of July 31, 2017.

Further, we plan to enter into management agreements which require lower upfront financial investment compared to acquisition of properties. Management agreements enable us to provide quality management and branding to third-party owned hotels, while benefitting from the extension of our network and brand presence in certain geographies. We typically take hotels on management for a minimum tenure of 10 years with a renewal option on mutually agreed terms. These arrangements are to operate hotels upon retro-fitting of existing hotels to our brand standards. We plan to increase the number of our managed hotels from 13 hotels and 1,118 rooms as on July 31, 2017 to 29 hotels and 2,409 rooms, based on our hotels under development, as of July 31, 2017.

Under our management agreements, we are typically entitled to a fixed percentage of the gross income (subject to certain adjustments) of the hotel for operations, sales and marketing fees together with royalty fees, as well as a fixed percentage of the net room revenue of the rooms booked through our guest loyalty program. We are also typically entitled to an incentive fee being a variable percentage linked to the gross operating profit of the hotel. Management agreements enable us to diversify sources of revenue, distribute costs such as head office, sales and marketing, training, loyalty program and other vendor costs, negotiate better terms with vendors, provide career development opportunities for employees in line with growth and monetize our brands while reducing investment risk.

Improve operating efficiencies to increase returns

We intend to continue to actively manage our operating costs to improve margins through the following measures, among others:

- improve staff productivity and efficiency to reduce payroll costs per room through the use of new technology, streamlined management systems, comprehensive training and performance-linked compensation;
- implement energy saving initiatives that are both cost-efficient and environmentally friendly;
- improve margins in revenue generating departments such as telecommunications, restaurants, laundry, spa operations and transportation; and
- reduce average per room costs for head office operations, sales and marketing, loyalty program expenses, among others, through the expansion of our network, hotels and rooms.

We intend to continue to maintain low hotel development costs for owned hotels and conversion costs for leased hotels, through efficient project management and oversight. We also seek to maintain competitive average development cost per room, including through innovative yet easily replicable product designs to lower procurement costs and expedite installation and fit-out time.

Attract consumers through expansion into leisure hotels and through online channels

We intend to continue to increase our focus on leisure markets to increase our share of the domestic mid-priced hotel sector as well as strengthen our presence across India. We have three operational resorts, as of July 31, 2017, in Goa, Alleppey, Kerala and a wildlife resort in Bandhavgarh, Madhya Pradesh. We seek to increasingly cater to the vacation and leisure travel needs of Indian families and groups in order to address seasonality of demand for our rooms. We intend to focus on offering a differentiated brand experience through our hospitable and efficient service, convenient locations, contemporary design and value-for-money offerings. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service, such that our brands continue to remain attractive to value conscious middle class domestic guests.

Further, we intend to continue to pursue our strategy to grow direct bookings of hotels through our website. Our ongoing investments in online advertising and marketing initiatives allow us to target our marketing messages to specific audiences in a cost-effective manner. We intend to continue to expand and evolve our online presence in order to grow revenue from online direct bookings. We have also introduced a specialist team to work with leading online travel agents (“OTAs”). We intend to continue to work with OTAs to increase our market share of online hotel bookings and increase our revenue.

DESCRIPTION OF OUR BUSINESS

Key Performance Indicators for Our Owned and Leased Hotels

The table below sets forth certain key parameters for our owned and leased hotels, for the past three fiscal years:

Fiscal	For Our Owned and Leased Hotels:						Red Fox Hotels		
	Lemon Tree Premier			Lemon Tree Hotels			Red Fox Hotels		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
No. of available rooms*	877	877	681	1,351	1,306	1,306	605	605	589
No. of hotels*	5	5	4	15	13	13	4	4	4
ADR ¹ (₹)	4,123	3,834	3,635	3,522	3,321	3,175	2,372	2,278	2,179
Average Occupancy ²	74.6%	78.3%	68.3%	77.1%	73.3%	67.9%	79.1%	75.1%	67.8%
Rev PAR ³ (₹)	3,075	3,001	2,482	2,716	2,433	2,155	1,877	1,711	1,477
Average total hotel revenue per room ⁴ (₹)	1,729,431	1,587,793	1,415,728	1,423,353	1,332,894	1,105,881	918,236	854,436	741,686
Revenue from room rentals ⁵	64.9%	64.9%	64.0%	68.5%	66.8%	64.6%	74.6%	73.3%	72.7%
F&B revenue ⁶	25.0%	25.1%	25.6%	22.3%	23.9%	26.1%	16.4%	17.5%	17.0%
Other revenue ⁷	10.1%	10.0%	10.4%	9.2%	9.2%	9.4%	9.0%	9.2%	10.3%
Average operating expense per room ⁸ (₹)	978,477	887,601	946,101	821,141	815,440	702,788	521,895	477,314	445,293
Operating expenses ⁹	56.6%	55.9%	66.8%	57.7%	61.2%	63.6%	56.8%	55.9%	60.0%
Staff per room ratio ¹⁰	1.09	1.15	0.98	1.17	1.15	1.12	0.74	0.75	0.72
Domestic guests	83.4%	85.4%	84.5%	85.1%	84.4%	82.0%	84.2%	89.7%	88.1%
Foreign guests	16.6%	14.6%	15.5%	14.9%	15.6%	18.0%	15.8%	10.3%	11.9%

* As of March 31 of each fiscal year.

¹ ADR represents revenue from room rentals at our owned and leased 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 divided by the total number of room nights available at a hotel or group of hotels.

³ RevPAR is calculated by multiplying ADR and average occupancy.

⁴ Total hotel revenue includes revenue from operations of owned and leased hotels (including revenue from room rentals, food and beverage and other revenue) together with certain non-operating revenue collected at owned and leased hotels. Average total hotel revenue per room is calculated by dividing total hotel revenue for a fiscal year by number of available rooms as of March 31 of the relevant fiscal year.

⁵ Comprises rental income received from occupied rooms at our owned and leased hotels, as a % of total hotel revenue of owned and leased hotels.

⁶ Comprises revenue from food and beverage sold at the restaurant outlets in our owned and leased hotels, room service and in-room mini bars, as a % of total hotel revenue of owned and leased hotels.

⁷ Other revenue comprises of revenue from business center, transport, telecommunications and internet, laundry, spa and wellness and business center usage. As a % of total hotel revenue of owned and leased hotels.

⁸ Operating expenses comprises of expenses towards food and beverages consumed, employee benefit expense and other expenses such as power, fuel and water, repair and maintenance, license fees, traveling expenses, rates and taxes, marketing and commission paid to travel agents. Average operating expense per room is calculated by dividing operating expense for a fiscal year by number of available rooms as of March 31 of the respective fiscal year.

⁹ Operating expenses, as a % of total hotel revenue of owned and leased hotels.

¹⁰ Staff per room is calculated by dividing total staff at the end of a fiscal year by number of available rooms as of March 31 of each fiscal year. Staff includes our employees and personnel engaged on a contractual basis at our owned or leased hotels.

The table below sets forth the RevPAR for our owned and leased hotels in certain key cities or regions in India, for the past three Fiscals:

City Fiscal	Brand	RevPAR (₹)			No. of Rooms*		
		2017	2016	2015	2017	2016	2015
Bengaluru	Lemon Tree Premier	3,233	2,920	2,078	188	188	188
	Lemon Tree Hotels	2,554	2,198	1,693	305	305	305
NCR	Lemon Tree Premier	3,212	3,400	3,173	422	422	226
	Lemon Tree Hotels	2,764	2,659	2,390	104	104	104
	Red Fox Hotels	1,981	1,853	1,596	301	301	285
Hyderabad	Lemon Tree Premier	2,747	2,554	2,183	267	267	267
	Lemon Tree Hotels	2,282	1,819	1,154	190	190	190
	Red Fox Hotels	2,478	2,198	2,010	121	121	121
Chennai	Lemon Tree Hotels	3,070	3,107	2,808	108	108	108
Pune	Lemon Tree Hotels	1,992	1,977	1,659	124	124	124
Goa	Lemon Tree Hotels	4,679	4,207	4,267	99	65	65

*As at March 31, at the end of each fiscal year

Our Brand Portfolio

We operate our hotels under three brands, which are focused on catering to guests in different hotel segments. Within each brand, hotel design, room interiors and common areas are standardized, providing for low cost of construction and presenting consistency of customer experience across our hotels. Each of our brands has differentiated characteristics which offer distinct alternatives to our guests.

Our Lemon Tree Premier brand is targeted primarily at the upper midscale hotel segment catering to business and leisure guests who want to use hotels at strategic locations and are willing to pay for a premium service and hotel property. Our Lemon Tree Hotels brand is targeted primarily at the midscale hotel segment catering to business and leisure guests by offering a comfortable, cost effective and convenient experience. Our Red Fox by Lemon Tree Hotels brand is primarily targeted at the economy hotel segment. Our differentiated brand strategy allows us to target distinct customer market segments while avoiding brand dilution.

Our approach of maintaining control and ownership has allowed us to build a portfolio of domestic brands and presents us with flexibility with respect to developing our business. We seek to control the operational aspects of our business while adhering to quality standards. Our hotels across brands have a standardized design, appearance, decor, color scheme, lighting scheme and set of guest amenities thereby ensuring that we deliver a consistent experience to our guests. A set of basic customer services, including in-room phone and cable-TV service, high speed wireless internet and ground transportation arrangements are available across our brands.

The table below provides certain details of our brands, as of July 31, 2017:

Brand	Number of Rooms	Number of Hotels	Hotel segment
	1,128	8	Upper-midscale
	2,090	24	Midscale
	1,071	8	Economy

Lemon Tree Premier

Our Lemon Tree Premier brand was launched in the upper-midscale hotel segment, with our first hotel under this brand, Lemon Tree Premier, Leisure Valley-1, Gurugram in July 2010. This brand accounts for 1,128 rooms or 26.3% of our total rooms as on July 31, 2017, spread across eight hotels. These hotels are designed with innovative interiors with an emphasis on contemporary styling. Facilities at Lemon Tree Premier hotels include a business centre, a conference room, a 24x7 multi-cuisine coffee shop – ‘*Citrus Café*’, a recreation bar – ‘*Slounge*’, a pan-Asian restaurant – ‘*Republic of Noodles*’, a spa – ‘*Fresco*’, a well equipped gym, an outdoor swimming pool and state-of-the-art security arrangements. We typically provide all such services in-house, other than spas, transport and laundry.

Lemon Tree Hotels

Our Lemon Tree Hotels brand was the first brand launched by us, with our hotel, Lemon Tree Hotel, Udyog Vihar, Gurugram in May 2004, in the midscale hotel segment. As of July 31, 2017, we have 24 operational Lemon Tree hotels, accounting for 2,090 rooms or 48.7% of our total rooms. The Lemon Tree Hotels brand is targeted at the midscale hotel segment. These hotels feature simple, modern and comfortable furnishings. Lemon Tree Hotels attempt to offer the essential amenities required by their target class of travelers, including a 24x7 coffee shop, a lounge bar, conference rooms, a business centre and a fitness centre. We typically provide all such services in-house, other than spas, transport and laundry.

Red Fox by Lemon Tree Hotels

Our first hotel under the Red Fox brand, Red Fox Hotel, Jaipur, became operational in November 2009. As of July 31, 2017, there are eight hotels in operation under this brand which account for 1,071 rooms or 25.0% of our total rooms. These hotels have an emphasis on quality and modern-style furniture and equipment. Services provided at these hotels include hi-speed Wi-Fi, cyber kiosks, a coffee shop – ‘*Clever Fox Café*’, a business center, meeting rooms, basic fitness center and laundry service. We typically provide all such services in-house, other than transport and laundry.

Our Business Operations

We undertake our business through (i) direct ownership of hotel properties, (ii) long-term lease or license arrangements for the land on which we construct our own hotels; (iii) long-term leases for existing hotels which are owned by third parties, and (iv) operation and management agreements. We also have project design, management and development capabilities through our subsidiary, Grey Fox.

Owned Hotels

As of July 31, 2017, we own 19 hotels, which represent 2,206 rooms, or 51.43% of our total rooms. Our owned hotels accounted for 63.08% of our total revenue for the fiscal year 2017. These hotels are located on freehold land owned by us. The land is either owned directly by our Company or by our Company’s wholly-owned or majority owned Subsidiaries. Certain of our hotel properties are owned through our Subsidiaries Fleur, Begonia and Nightingale, in which we own 57.98%, 74.11% and 57.53% equity interest, respectively. For such hotels, the title to the buildings, equipment and furniture or fixtures vests in our Company or our Subsidiaries.

Owned Hotels located on Leased or Licensed Land

As of July 31, 2017, we own three hotels which are located on land for which we have entered into long term leases or licenses, which represent 568 rooms or 13.24% of our total rooms. Our owned hotels on leased or licensed land accounted for 20.21% of our total revenue for the fiscal year 2017. The term of such leases or licenses varies from 30 years to 60 years. For such hotels, the title to the buildings and equipment and furniture or fixtures vests in our Company or our Subsidiaries.

Leased Hotels

As of July 31, 2017, five of our hotels are located in buildings which have been leased to us by third-parties, which represent 397 rooms, or 9.26% of our total rooms. Our leased hotels accounted for 12.26% of our total revenue for the fiscal year 2017. The term of such leases varies from 22 years to 30 years, which are renewable, subject to mutual agreement on the terms and conditions between us and the respective lessors. We own the furniture or fixtures and are required to pay a specified rental amounts for the duration of the lease deed, subject to periodic rent escalations at agreed rates. See “– **Certain Key Agreements – Lease Deeds for Hotels**” on page 155. Some key benefits include:

- easier access to markets;
- lower initial capital investment;
- quicker time-to-market as the hotel can start generating revenue within a short time frame; and
- a way of gaining entry into markets where demand is strong but the cost of acquiring land is high.

Managed Hotels

We manage 13 hotels, which represent 1,118 rooms, or 26.07% of our total rooms as of July 31, 2017. Our managed hotels accounted for 2.17% of our total revenue for the fiscal year 2017. We render hotel operation and management services through our subsidiary, Carnation Hotels Private Limited (“**Carnation Hotels**”). Carnation Hotels was founded in collaboration with Mr. Rattan Keswani, our Deputy Managing Director, in order to provide hotel management services to third party hotel owners. We currently own 100.0% equity interest in Carnation Hotels, of which we have agreed to transfer 25.1% equity interest to Mr. Rattan Keswani, at book value or face value, whichever is higher, on or before March 31, 2019. Carnation Hotels uses our all three of our brands, through license agreements entered into among our Company, Carnation Hotels and the relevant hotel owner, and leverages our operational capabilities including our corporate resources and expertise in sales and revenue management, marketing, finance, human resources as well as technical project management services (including through Grey Fox) to provide hotel management services to third party hotel owners. Carnation Hotels provides management and branding services to these hotel owners, while we benefit as a result of receiving management fees and the extension of our geographical network and brand presence.

Our managed hotels are generally operated and managed by Carnation Hotels through hotel operation agreements, terms ranging from 10 to 15 years, together with license agreements entered into among our Company, Carnation Hotels and the relevant hotel owners. These hotel operation agreements provide Carnation Hotels with operational flexibility in hotel operations, including selection, recruitment, training and management of personnel together with determining their remuneration, determining the price and rate schedules for rooms and other services, applying for licenses and consents and entering into agreements on behalf of the owner with regulatory and governmental authorities to ensure the smooth functioning of the hotel, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires and carrying out marketing, sales, reservations and advertising operations for the hotel through our integrated information technology systems, among others.

These operating and management arrangements provide for a two-tiered fee structure that compensates Carnation Hotels both for the volume of business it generates for the property as well as a portion of operational profits. Under these arrangements, we are entitled to a fixed percentage of the gross income of the hotel for operations subject to certain adjustments, sales and marketing fees together with royalty fees for licensing the use of certain trademarks, as well as a fixed percentage of the net room revenue of the rooms booked through our guest loyalty program. We are also entitled to an incentive fee which is a variable percentage linked to the gross operating profit of the hotel, subject to certain adjustments. See “– **Certain Key Agreements – Hotel Operation Agreements and License Agreements**” on page 155.

Project Design, Management and Development Capabilities

We have project design, management and development capabilities through our subsidiary, Grey Fox. Grey Fox comprises of an experienced team which specializes in executing hotel projects on a limited or turnkey basis, i.e., offering either partial or end-to-end solutions. Since its incorporation in 2012, Grey Fox has completed construction of seven hotels comprising of 1,126 rooms. Grey Fox also outsources architectural, design and construction activities to reputed third party contractors. The capabilities of Grey Fox include architectural and design services, facility planning and budgeting, services planning and design contracting and project management.

Our Hotel Properties

Our hotels are located in major metro regions in India, including Bengaluru, Chennai, Hyderabad and the NCR, as well as tier I and tier II cities in India such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. We also operate one resort in Goa, one resort in the backwaters of Alleppey, Kerala and one wildlife resort in Bandhavgarh, Madhya Pradesh. The map below illustrates the geographical spread of our hotels which are operational across India, as of July 31, 2017:



*Map not to scale

Hotels	40
Cities	24
Owned rooms	2,206
Owned rooms (on leased or licensed land)	568
Leased rooms	397
Managed rooms	1,118
Total rooms	4,289

The table below provides certain details of our properties, which are operational as of July 31, 2017. Further, We have commenced operations at our managed hotel, Lemon Tree Premier, Patna, in September 2017 which was under development, as of July 31, 2017:

Hotel Name	Location	No. of rooms	Month of Opening	Our Ownership Interest
Owned Hotels				
Lemon Tree Hotel, Udyog Vihar	Gurugram (NCR)	49	May 2004	100.00%
Lemon Tree Amarante Beach Resort	Goa	65	December 2006	74.11%
Lemon Tree Hotel, Hinjewadi	Pune	124	March 2007	100.00%
Lemon Tree East Delhi Mall	Kaushambi/ Ghaziabad (NCR)	55	October 2007	100.00%
Lemon Tree Vembanad Lake Resort	Muhamma (Kerala)	28	November 2008	100.00%
Lemon Tree Hotel, Ahmedabad	Ahmedabad	99	November 2008	100.00%
Lemon Tree Hotel, Chennai	Chennai	108	February 2009	100.00%
Lemon Tree Hotel, Electronic City	Bengaluru	175	November 2009	57.98%
Red Fox Hotel, Jaipur	Jaipur	183	November 2009	100.00%
Red Fox Hotel, East Delhi	New Delhi (NCR)	94	July 2010	100.00%
Lemon Tree Premier, Ulsoor Lake	Bengaluru	188	January 2011	100.00%

Hotel Name	Location	No. of rooms	Month of Opening	Our Ownership Interest	
Red Fox Hotel, Hyderabad	Hyderabad	121	January 2011	100.00%	
Lemon Tree Premier, Hitec City	Hyderabad	267	January 2011	57.98%	
Lemon Tree Hotel, Whitefield	Bengaluru	130	August 2013	57.98%	
Lemon Tree Hotel, Gachibowli	Hyderabad	190	November 2014	57.53%	
Lemon Tree Premier, City Center	Gurugram (NCR)	61	February 2016 [#]	100.00%	
Lemon Tree Wildlife Resort	Bandhavgarh	11	October 2016	57.98%	
Lemon Tree Hotel, Sector 60	Gurugram (NCR)	104	April 2017	57.98%	
Red Fox Hotel, Sector 60	Gurugram (NCR)	154	May 2017	57.98%	
Hotel Name	Location	No. of rooms	Month of Opening	Tenure Remaining as of July 31, 2017	Our Ownership Interest
Owned Hotels on Leased or Licensed Land					
Lemon Tree Hotel, Chandigarh	Chandigarh	81	March 2012	51 years 6 months	100.00%
Red Fox Hotel, Delhi Airport	New Delhi (NCR)	207	December 2013	18 years 9 months ¹	100.00%
Lemon Tree Premier, Delhi Airport	New Delhi (NCR)	280	December 2013	18 years 9 months ¹	57.98%
Leased Hotels				Tenure Remaining as of July 31, 2017	
Lemon Tree Hotel, Indore	Indore	100	November 2008	19 years 2 months	
Lemon Tree Hotel, Aurangabad	Aurangabad	102	October 2008	12 years 2 months	
Lemon Tree Premier, Leisure Valley-1	Gurugram (NCR)	81	July 2010	22 years 11 months	
Lemon Tree Hotel, Candolim*	Goa	34	September 2016	24 years 2 months	
Lemon Tree Premier, Leisure Valley-2*	Gurugram (NCR)	80	April 2017	21 years 10 months	
Hotel Name	Location	No. of rooms	Month of Opening	Tenure Remaining as of July 31, 2017	
Managed Hotels					
Lemon Tree Premier, Jaipur	Jaipur	108	April 2013	5 years 7 months ²	
Lemon Tree Premier, The Atrium, Ahmedabad	Ahmedabad	63	June 2013	5 years 9 months ³	
Lemon Tree Hotel, Dehradun	Dehradun	49	April 2014	11 years 6 months	
Lemon Tree Hotel, Shimona	Chennai	54	July 2014	6 years 4 months ²	
Lemon Tree Hotel, Vadodara	Vadodara	48	July 2015	9 years 7 months	
Lemon Tree Hotel, Dahej	Dahej	69	February 2016	8 years 3 months	
Lemon Tree Hotel, Tarudhan Valley	Manesar (NCR)	70	March 2016	8 years, 4 months	
Red Fox Hotel, Chandigarh	Chandigarh	102	August 2016	8 years 9 months ³	
Lemon Tree Hotel, Katra	Katra	70	September 2016	8 years 10 months ³	
Red Fox Hotel, Tiruchirappalli	Tiruchirappalli	80	October 2016	9 years 2 months ²	
Red Fox Hotel, Bhiwadi	Bhiwadi	130	January 2017	11 years 5 months	
Sandal Suites operated by Lemon Tree Hotels	Noida (NCR)	195	May 2017	8 years 3 months	
Lemon Tree Hotel, Gangtok	Gangtok	80	July 2017	15 years	

* Lease deed entered into by our Subsidiary Fleur, in which we have a 57.98% equity interest.

[#] Commenced operations in May 2005 and was subsequently demolished in the fiscal year 2014 and rebuilt.

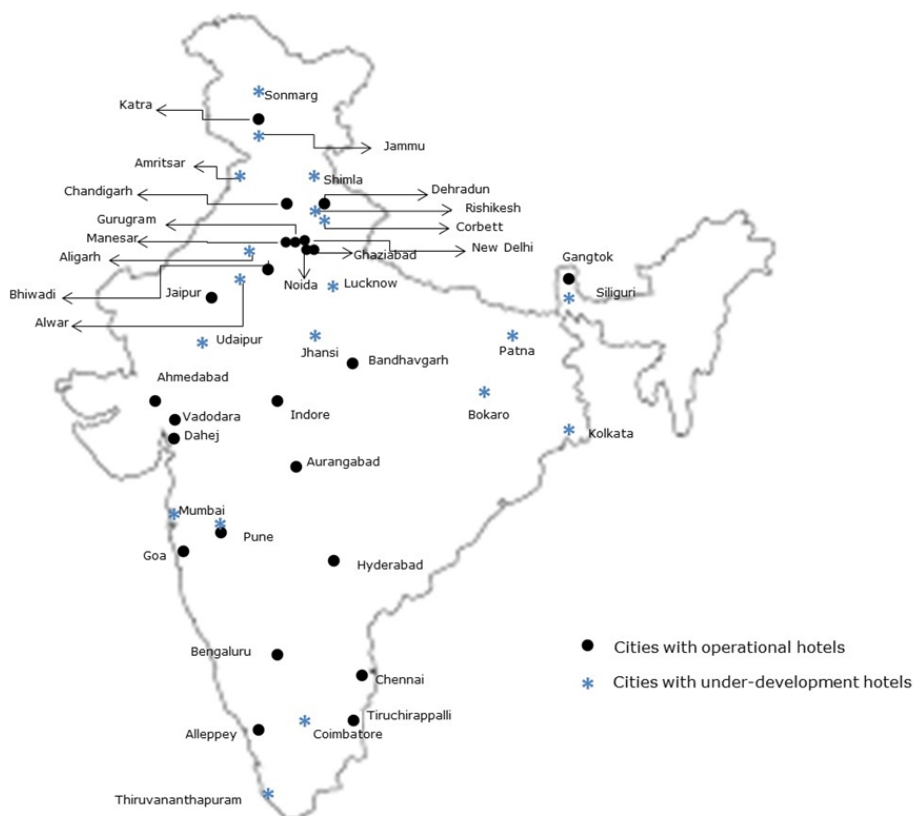
¹ Renewable for a further period of 30 years, subject to certain conditions.

² Renewable for two further periods of 5 years each, subject to agreement between Carnation Hotels and the hotel owner.

³ Renewable for a further period of 5 years, subject to agreement between Carnation Hotels and the hotel owner.

Our Expansion Plans

We periodically evaluate new sites for greenfield development as well as prospective hotel assets for conversion or acquisition. Our expansion strategy is to continue to develop new hotels in both, tier I and tier II cities important for commerce as well as tier III cities which attract significant business or leisure travelers. This allows us to gain brand and product awareness amongst frequent travelers and helps enhance our position. We also intend to explore increasing our portfolio to include more leisure and resort properties. The map below illustrates the geographical spread of our hotels which are under development together with our operational hotels, across India, as of July 31, 2017:



*Map not to scale

Hotels under development	24
Cities with under development hotels only	18
Owned rooms under development	879
Owned rooms (on leased or licensed land) under development	438
Leased rooms under development	175
Managed rooms under development	1,291
Total rooms under development	2,783

Note: Based on management estimates.

Owned Hotels under Development

Our development pipeline for owned hotels consists of 1,317 rooms across six new and two existing hotels, including one owned hotel being developed on land held under a long-term license agreement. We classify owned hotels for which: (i) land has been acquired; (ii) relevant approvals have been applied for; and (iii) management's project development plans are complete, as owned hotels under development.

Leased Hotels under Development

Our development pipeline for leased hotels consists of 175 rooms in two new hotels. We classify leased hotels for which a memorandum of understanding or binding agreement has been executed as leased hotels under development.

The details of our owned and leased hotels under development are as follows, including addition of rooms at two of our existing hotels, as of July 31, 2017:

Hotel Name	Location	No. of rooms*	Expected Month of opening*	Our Ownership Interest	
Owned Hotels – Under Development					
Lemon Tree Wildlife Resort, Bandhavgarh ¹	Bandhavgarh	22	November 2017	57.98%	
Lemon Tree Premier, Pune	Pune	199	December 2018	57.98%	
Lemon Tree Premier, Andheri (East), Mumbai	Mumbai	298	January 2019	100.00%	
Lemon Tree Premier, Udaipur	Udaipur	139	February 2019	57.98%	
Lemon Tree Premier, Kolkata	Kolkata	142	April 2019	57.98%	
Lemon Tree Vembanad Lake Resort, Muhamma ¹	Muhamma (Kerala)	10	October 2020	100.00%	
Lemon Tree Mountain Resort, Shimla	Shimla	69	December 2020	100.00%	
				Tenure (years) and Ownership	
Owned Hotel on Licensed Land – Under Development					
Lemon Tree Premier, Mumbai Airport	Mumbai	438	March 2021	19	57.98%
Leased Hotels – Under Development				Tenure (years)	
Lemon Tree Hotel, Banjara Hills	Hyderabad	84	January 2018	30	
Red Fox Hotel, Dehradun ²	Dehradun	91	March 2018	29	

* Based on management estimates. Number of rooms includes additional rooms under development in existing hotels.

¹ Expansion in existing hotels

² Lease deed entered into by our Subsidiary Fleur, in which we have a 57.98% equity interest.

Managed Hotels under Development

Our development pipeline for managed hotels includes 1,291 rooms across 16 hotels. Hotels in relation to which we have executed hotel operation and management agreements but are yet to commence operations, are classified as forthcoming managed hotels. The details of our forthcoming managed hotels, as of July 31, 2017, are as follows:

Hotel Name	Location	No. of rooms	Expected Month of Opening*	Tenure (Years) [#]
Managed – Under Development				
Lemon Tree Premier, Patna	Patna	105	September 2017 ¹	10
Lemon Tree Hotel, Alwar	Alwar	40	September 2017	10
Lemon Tree Premier, Corbett	Ramnagar, Nainital	68	November 2017	12
Lemon Tree Hotel, Coimbatore	Coimbatore	61	November 2017	15
Lemon Tree Hotel, Siliguri	Siliguri	50	February 2018	10
Lemon Tree Hotel, Sohna Road	Gurugram (NCR)	112	February 2018	15
Lemon Tree Hotel, Jammu	Jammu	39	March 2018	10
Lemon Tree Hotel, Lucknow	Lucknow	51	July 2018	11
Lemon Tree Hotel, Amritsar	Amritsar	65	September 2018	10
Lemon Tree Hotel, Bokaro	Bokaro	70	December 2018	10
Lemon Tree Hotel, Rishikesh	Rishikesh	102	December 2018	12
Lemon Tree Hotel, Jhansi	Jhansi	60	April 2019	12
Lemon Tree Hotel, Sonmarg	Sonmarg	40	April 2019	10
Lemon Tree Hotel, Aligarh	Aligarh	68	April 2019	12

Hotel Name	Location	No. of rooms	Expected Month of Opening*	Tenure (Years) [#]
Lemon Tree Hotel, Trivandrum	Trivandrum	100	December 2019	10
Serviced Suites, Manesar	Manesar (NCR)	260	March 2020	15

* Based on management estimates. See “**Risk Factors - Statements as to the months in which our hotels under development are expected to open and the number of rooms expected in such hotels are based on management estimates and have not been independently appraised**” on page 22.

[#] Tenure from date we take over operations at the hotel.

¹ Commenced operations in September 2017. See “- **Recent Developments**” on page 137.

Further, we have entered into a hotel operation and management agreement dated August 1, 2017, for a managed hotel in Dwarka, Gujarat, under our Lemon Tree Premier brand, catering to the upper-midscale hotel segment. This hotel in Dwarka, Gujarat, is estimated to have 108 rooms and is expected to be operational by February 2019.

Our hotel operations

Our 40 operational hotels across India as of July 31, 2017 cater to the growing needs of our customers. Four key hotel operations departments: front office, housekeeping, food and beverage service and food production are focused on ensuring customer experience and comfort through quality service offerings with a value-for-money proposition. In addition, support departments such as finance, stores, engineering and maintenance, IT and security also play a role in ensuring efficient day-to-day operations.

Front Office

The front office department handles our accommodation operations. Front office staff welcome guests, help them register and check in, allot rooms, assist with their luggage, answer questions about the activities in the hotel or city and assist with check-out. This department has the most direct contact with guests.

Housekeeping

The housekeeping department is responsible for the upkeep of guest rooms and public spaces and endeavour to ensure that our rooms meet our internal service and customer experience standards.

Food Production

The food production department prepares food and beverages served to our guests. Our food production staff produce a range of food and beverage preparations for service at our multi-cuisine coffee shops – *Citrus Café* and *Clever Fox Café*, our recreation bar – *Slounge* and our pan Asian restaurant – *Republic of Noodles* as well as for the in-room dining requirements of our guests.

Food and Beverage Services

The food and beverage services department serves food and beverages to our guests, both residing in our hotels, and visitors, at all our restaurants, banquet rooms and as a part of in-room dining facilities.

Others

Our other support departments include engineering and maintenance, finance and accounts, stores and purchase, human resources, IT and security. The engineering department monitors wear or tear of our assets and repairs, maintains and upgrades the building, façade, plant and machinery and other fixtures and equipment at our hotels. The accounts department handles finance functions including customer invoicing, monitoring and collections, budgeting, among others. The human resource department is responsible for our manpower planning and staffing including employee welfare, medical and health insurance, payroll, the performance monitoring and management system, training and development and labour related issues. Our security department works to ensure safety and security of our guests, employees and hotel properties and equipment.

Marketing and Our Loyalty Program

Our marketing and loyalty strategy is divided into three areas:

Acquisition

In general, we use two channels to generate reservations: online travel agents (“**OTAs**”) and our website. We also use certain other strategic marketing initiatives to acquire customers. We attempt to use the database and reach of domestic and global OTAs to attract new customers to experience our brands or hotels and gain the opportunity to convert, i.e., get repeat and referral business. Our arrangements with OTAs generally require us to pay commission and performance linked incentives. Revenues generated by bookings made through OTAs accounted for 20.22%, 15.34% and 8.58% of our revenue from room rentals for fiscal years 2017, 2016 and 2015, respectively.

Our website, www.lemontreehotels.com, as a channel is focused on providing an online presence for our brands with a goal to become the primary channel of reservation for our guests.

Our strategic marketing initiatives include:

- alliances with partners across industries, such as banks, airlines and taxi aggregators for promotional offers through our website, thereby driving traffic to our website;
- search engine optimization; and
- search engine marketing.

Retention

Our loyalty program, Lemon Tree Smiles, rewards guests for staying with us and provides extra benefits, exclusive offers and personalized services to get repeat business from these members and also generate word of mouth publicity. Lemon Tree Smiles has 586,461 members as of July 31, 2017 and offers three tiers to members: Silver, Gold and Platinum with designated benefits for each tier. Guests are rewarded with points for each stay at our hotels, which are then redeemable at our hotels for free nights or with other benefits including gift vouchers.

Engagement

The support functions to our marketing initiatives are social media, online advertising and communication.

Social Media: Networking platforms help introduce our brands to multiple audiences and enhance recall. These mediums allow us to target our own database (of repeat guests) along with other audiences using segmentation parameters such as specific interests, behavior and geo-location.

Online Advertising: Advertising on search engines is carried out (using search and display advertisements) to increase our online brand presence and drive traffic to our website.

Communication: To create brand recall and guest engagement, we communicate with our loyalty program members through emails, SMS and push notifications, among others.

Brands, Communication, Public Relations and Online Reputation Management Teams

Brands, communication, public relations and online reputation management teams are responsible for marketing communications, content creation and delivery of external communication (both audio and visual) to consumers, target markets and stakeholders thereby driving engagement, retention and recall.

Brands and Communication: Our centralized brands team supported by an external creative agency supplements our overall marketing strategy.

Public Relations: We engage with audiences across platforms to promote and enhance our brand recall. We organize press conferences, press launches, familiarization trips, blogger meets, social media engagement and activations, among others, as part of this initiative.

Online Reputation Management: Our communication team is also responsible for collating and analyzing customer feedback and generating insights for our operations and sales departments to enhance our offerings to better meet evolving customer expectations.

Reservations and Sales

Reservations and Sales

As of July 31, 2017, we have 144 sales personnel across 32 cities including in regional sales offices at Mumbai, Lucknow, Hyderabad, Kolkata, Pune and Vizag that cover approximately 2,300 companies, airlines, ministries, embassies, UN bodies, public sector units, not-for-profit organizations, among others. Our teams are focused on servicing corporate customers and key accounts, identifying new business opportunities and increasing our customer base. Our hotel operations are dependent on our corporate customers for a significant portion of revenues. For fiscal years 2017, 2016 and 2015, our corporate customers contributed 56.92%, 61.79% and 66.17% of our revenue from room rentals, respectively.

Leisure: Travel Trade Sales

Our travel trade team handles the leisure and MICE (meetings, incentives, conferences and events) sectors with a focus on increasing domestic and international leisure bookings through offline travel agents. Another key focus of this team is marketing the convention space and social venue options available presently and in future through advance contracts. Our team also undertakes regular road shows across the country to increase our brand awareness.

Revenue Management

Our revenue management team endeavors to predict consumer behavior at the micro-market level and optimizes room availability and price to increase revenues based on projected future demand. This team analyses our business on a day-to-day basis, learns through past demand patterns and trends and aligns forecasts, and takes pricing decisions. We have invested in technology solutions including revenue management software, channel managers and rate shopping tools to optimize revenue through dynamic pricing.

Central Reservations Centre

For customer convenience, we have a 24x7 central reservations centre, which is managed and operated by a third party, which caters to all voice and email related reservations queries for our hotels, as well as guest complaints, feedback and providing information about hotels. It is equipped with property information, city information, rates and inventory in order to meet our customers' reservation related queries.

Safety and Security

Safety and security of our guests, employees and assets is important to us. Our security department has invested in updated technology and equipment for all our recent hotels and evaluates ways to upgrade security measures in our older hotels. For example, our hotel, Lemon Tree Premier, Delhi Airport has adopted a face recognition software together with cameras, a video wall in the security control room, a 3D walkthrough and bio-metric access control. Some key security arrangements in our recent hotels include crash bollards and boom barriers at each entrance, under-vehicle surveillance systems, baggage x-ray scanners, CCTV coverage of all public areas with 90 days recording facility, intruder alarm system and panic buttons at key locations such as the main gate, reception and swimming pool areas.

Property Development Cycle

Our property development process entails employment of standardized parameters that allow for a consistent and replicable process, which in turn reduces variations in our development costs and project time. Our development model focuses on standardized hotel designs and defined process for selection of sites, contractors and materials. Our knowledge of construction dynamics in the markets in which we operate helps us ensure cost efficient development.

Identification Process and Land Acquisition and Development Arrangements

Our site identification is based on a market selection process that leverages our management's knowledge of Indian cities, understanding of our customer base, an analytical approach to site-selection that encompasses accessibility, local economy, potential for growth, demographics and socio-economic environment and adequate infrastructure.

While we do not fix any site specific criteria and consider location specific factors, key considerations for site selection include the economics of the site and our geographic strategy. Analysis of the economics of the site include assessment of the demand potential, considering among other factors the current and likely future demand, existing and future competition, pricing potential, local talent availability and prospects for increased infrastructure and accessibility. This analysis is based on internal profitability and return standards, based on the following criteria:

- office space consumption and future development reports by real estate advisory firms;
- geo-mapping of companies and their hotel business volumes including how they are currently accommodated and priced in that city and specific micro market;
- travel volumes including flight and train traffic volumes to the city;
- existing hotel inventory and future committed supply in that city;
- benchmarking existing hotel rates and performance in the economy, midscale, upper midscale, upscale and luxury hotel segments in each city with availability of land and pricing against our expectations; and
- Government data and schemes for the city including gross state domestic product, population, tax breaks, infrastructure quality.

Upon shortlisting a site, a senior management team, revisits the site and does a detailed assessment. This structured and comprehensive process helps us ensure the right selection of a strategic location within a city.

After the site is fully analyzed from both a marketing and development perspective, the project is either discarded or advanced for a subsequent financial analysis and due diligence. In certain cases, based on the interest of the land owner, we do not acquire the site but enter into a management contract through our subsidiary Carnation Hotels.

Project Planning, Tenders and Regulatory Approvals

While our management is generally involved in the design, project management and supervision of hotel development, it hires third party contractors for construction of the hotel. Contractors are awarded projects through a tender process. While each project is generally awarded subject to a project-specific bid, we also factor in the selection our prior experience, if any, with the vendor.

For each of our projects our in-house team of architects works with local city architects and structural engineers to develop detailed designs for the hotel. We engage leading architects, design and engineering consultants and construction companies for the execution of our projects, under the supervision of Grey Fox. While we maintain certain standard design features such as room size, bathroom size, dimensions for corridors and lobby, we continuously seek new and improved ideas that are then incorporated in future developments. We have also developed manuals specifying materials to be used for the construction. Due to our standardization procedures, the customization required by contractors selected by us is minimized, which streamlines the construction timeframe and costs.

Execution, Construction and Safety Standards

We have an in-house project management and execution process team, which focuses on effective supervision of development activities to ensure efficient and timely project execution. The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. Completion and occupancy certificates are obtained from the appropriate authorities after the construction of properties is completed, in accordance with applicable law. For a more detailed explanation of the applicable regulations, see “**Key Regulations and Policies in India**” on page 161.

Our operations and project management team, along with external consultants, monitor the development process, construction quality, actual and estimated project costs and construction schedules. The project management team and the contractor conduct site and activity reviews including a review of quality of work, adherence to project timelines and materials used.

We have endeavoured to develop each property with high safety standards. During construction, standards maintained by us are generally in line with those prescribed in India. A detailed safety manual has been created by us which ensures guidelines such as proper safety wear, railings, shutting all carve-outs and elevator spaces, no residences for labour and no children allowed in the development area.

For each new project we work through the above stages and then focus on development time. The table below illustrates our development time for our greenfield owned and leased hotels:

Hotel	Month of Opening	Development Time* (in Months)
Lemon Tree Hotel, Udyog Vihar, Gurugram	May 2004	17
Lemon Tree Hotel, Hinjewadi, Pune	March 2007	18

Hotel	Month of Opening	Development Time* (in Months)
Lemon Tree Hotel, Ahmedabad	November 2008	23
Lemon Tree Hotel, Chennai	February 2009	33
Red Fox Hotel, Jaipur	November 2009	21
Red Fox Hotel, East Delhi	July 2010	30
Lemon Tree Premier, Ulsoor Lake, Bengaluru	January 2011	37
Lemon Tree Premier, Hitec City, Hyderabad	January 2011	37
Red Fox Hotel, Hitec City, Hyderabad	January 2011	37
Lemon Tree Hotel, Chandigarh	March 2012	32
Red Fox Hotel, Delhi Airport, New Delhi	December 2013	50
Lemon Tree Premier, Delhi Airport, New Delhi	December 2013	50
Lemon Tree Hotel, Gachibowli, Hyderabad	November 2014	33
Lemon Tree Premier, City Center, Gurugram	February 2016	19

* Development time is the time from issuance of work order for civil structure construction till month of opening of the hotel.

Certain Key Agreements

Lease Deeds for Hotels

As of July 31, 2017, five of our hotels are located in leased buildings, in relation to which our Company or our subsidiary, Fleur, have entered into lease deeds. The term of such lease deeds varies from 22 years to 30 years. The leases are generally renewable upon expiry, subject to agreement on the terms and conditions with the owner of the hotel. We own the furniture or fixtures utilized at such hotels. Our Company or Fleur, as applicable, are required to make an upfront security deposit and to pay rental for the duration of the agreement, expressed as a fixed amount, subject to periodic rent escalations at agreed rates. For certain lease deeds our Company is also required to pay a variable component expressed as percentage of the gross revenue of the hotel. In accordance with the terms of certain lease deeds our Company has agreed to non-compete obligations which prevent us from opening or operating a hotel within a radius of five kilometres from the leased hotel during the term of the lease deed, without the prior written consent of the lessor.

As per the terms of these lease deeds, our Company or Fleur, as applicable, are required to renovate and refurbish the hotels to agreed upon standards, in accordance with our internal quality parameters, during an initial period for which we are not required to pay any rent. Our Company or Fleur, as applicable, are obligated to carry out repairs and maintenance of the hotel property, including structural alterations as required by law or any Governmental authority, at their own expense, in accordance with agreed upon standards and as they deem appropriate. They are also required to maintain adequate insurance cover for eventualities such as fire, earthquakes, strikes, third party liability and loss of profits.

Hotel Operation Agreements and License Agreements

Our managed hotels are operated and managed by Carnation Hotels through hotel operation agreements which are executed together with trademark license agreements among our Company, Carnation Hotels and the owner of the hotel. These operating and management arrangements provide Carnation Hotels with operational flexibility in hotel operations. Carnation Hotels is responsible for selection, recruitment, training and management of personnel together with determining their remuneration, determining the price and rate schedules for rooms and other services, applying for licenses and consents and entering into agreements with regulatory and governmental authorities to ensure the smooth functioning of the hotel, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires and carrying out marketing, sales, reservations and advertising operations for the hotel through our integrated information technology systems, among others. As part of the license agreements, our Company permits the owner of the hotel to make non-exclusive use of certain of our trademarks, for the duration of the hotel operation agreements being valid.

These arrangements generally provide for a two-tiered fee structure that compensates Carnation Hotels both for the volume of business it generates for the property as well as for the profitability of hotel operations. Under these arrangements, Carnation Hotels is entitled to a fixed percentage of the gross income of the hotel for operations, subject to certain adjustments, sales and marketing fees together with royalty fees (for our Company) for the license of our trademarks, as well as a fixed percentage of the net room revenue of the rooms booked through our guest loyalty program. Carnation

Hotels is also entitled to an incentive fee being a variable percentage linked to the gross operating profit of the hotel, subject to certain adjustments.

The term of the operating and management arrangements, that Carnation Hotels has entered into, ranges from 10 to 15 years, but the parties are entitled to early termination, subject payment of certain premature termination fees. Upon expiry of the initial term, these agreements are also renewable, subject to mutual agreement of terms and conditions between Carnation Hotels and the owner. Our hotel operation agreements grant early termination rights to owners of the hotels upon the occurrence of stated events, such as the sale of the hotel or our failure to meet specified performance tests and profitability parameters. Generally, termination rights under performance tests are based on the property's individual performance.

See ***“Risk factors – We enter into hotel operation agreements to render operation and marketing services in relation to our managed hotels and are subject to risks related to such hotel operation agreements.”*** on page 17.

Information Technology

We have instituted a centralized information technology system developed on a private cloud model with the data center hosted on a managed service basis in New Delhi. This private cloud acts as a single database for all properties and customer information providing inventory updates and customer preferences. The cloud has been structured with several components to ensure ease of data recovery, including periodic back-ups. The system handles our front office operations including reservations, billing, record keeping, check-in and check-out and back office management including financial accounting and corporate operations. Our IT system also supports various functions such as material management, point-of-sale, payroll processing, business intelligence, revenue management as well as interface with third parties such as a reservation call-center. Additionally, the system gathers all hotel level operating information and communicates this data to our head-office on a regular basis. Our IT system allows for monitoring of each of our property's operating and financial metrics. See ***“Risk Factors – Any failure of our information technology systems could adversely affect our business and our operations.”*** on page 28.

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. We have established construction and operating standards that comply with environmental sustainability requirements. We incorporate U.S. Green Building Council's Gold Leadership in Energy and Environmental Design (***“LEED”***) criteria in our hotel designs in order to achieve energy and water efficiency. Over time, the measures implemented by us include:

- use of energy-saving lighting; reduction in heat absorption by lining double jacket exterior walls and terraces with thermal insulation material;
- variable refrigerant volume technology for air-conditioning;
- chilled water reset through building automation to reduce power consumption required for cooling the building;
- auto time management (for lighting, air-conditioning and ventilation fans) through timers and motion sensors;
- sewage treatment plants which recycle water; and
- use of autoclaved aerated concrete blocks for construction.

Our Lemon Tree Premier, Delhi Airport, Red Fox Hotel, Delhi Airport and Lemon Tree Hotels, City Centre Gurugram hotels, have been built in accordance with the U.S. Green Building Council's Gold LEED standards and the Indian Green Building Council's standards.

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 – We are subject to extensive government regulation with respect to safety, health, environmental and labour laws and any non-compliance with and changes in, regulations applicable to us, may adversely affect our business, results of operations and financial condition.”*** on page 21.

Quality Standards

We have implemented internal quality controls to ensure quality of customer service across our hotels. TripAdvisor awarded the Certificate of Excellence for 2017, to 24 out of our 33 hotels (which were operational for at least a year and were eligible for receiving this recognition). We have instituted a survey system where customers provide feedback regarding respective hotels at the time of check out. We also receive and monitor feedback from external sites.

The table below sets forth TripAdvisor certificates received by us as of July 31, 2017:

Hotels as on July 31, 2017	City	TripAdvisor Certificate of Excellence for 2017
Lemon Tree Premier		
Lemon Tree Premier, Delhi Airport	New Delhi	Yes
Lemon Tree Premier, Leisure Valley-1	Gurugram	Yes
Lemon Tree Premier, Leisure Valley-2	Gurugram	Yes
Lemon Tree Premier, City Center	Gurugram	No
Lemon Tree Premier, Hitec City, Hyderabad	Hyderabad	Yes
Lemon Tree Premier, Ulsoor Lake, Bangalore	Bengaluru	Yes
Lemon Tree Premier; The Atrium, Ahmedabad	Ahmedabad	Yes
Lemon Tree Premier, Jaipur	Jaipur	Yes
Lemon Tree Hotel		
Lemon Tree Amarante Beach Resort, Goa	Candolim - Goa	No
Lemon Tree Hotel, Candolim	Candolim- Goa	Yes
Lemon Tree East Delhi Mall	Ghaziabad	Yes
Lemon Tree Hotel, Udyog Vihar	Gurugram	No
Lemon Tree Hotel, Ahmedabad	Ahmedabad	No
Lemon Tree Hotel, Aurangabad	Aurangabad	Yes
Lemon Tree Hotel, Chandigarh	Chandigarh	Yes
Lemon Tree Hotel, Chennai	Chennai	No
Lemon Tree Hotel, Electronic City	Bengaluru	Yes
Lemon Tree Hotel, Whitefield	Bengaluru	Yes
Lemon Tree Hotel, Gachibowli	Hyderabad	Yes
Lemon Tree Hotel, Hinjewadi, Pune	Hinjewadi - Pune	Yes
Lemon Tree Hotel, Indore	Indore	Yes
Lemon Tree Vembanad Lake Resort, Muhamma, Kerala	Alappuzha	Yes
Lemon Tree Wildlife Resort, Bandhavgarh	Tala	Operational for less than one year
Lemon Tree Hotel, Sector 60	Gurugram	Operational for less than one year
Lemon Tree Hotel, Shimona, Chennai	Chennai	No
Lemon Tree Hotel, Dahej	Dahej	Yes
Lemon Tree Hotel, Dehradun	Dehradun	Yes
Lemon Tree Hotel, Katra	Katra	Yes
Lemon Tree Hotel, Tarudhan Valley, Manesar	Manesar	Yes
Lemon Tree Hotel, Vadodara	Vadodara	Yes
Sandal Suites operated by Lemon Tree Hotels	Noida	Operational for less than one year
Red Fox Hotel		
Red Fox Hotel, Chandigarh	Chandigarh	Operational for less than one year
Red Fox Hotel, Delhi Airport	New Delhi	No
Red Fox Hotel, East Delhi	New Delhi	No
Red Fox Hotel, Hyderabad	Hyderabad	No
Red Fox Hotel, Jaipur	Jaipur	Yes
Red Fox Hotel, Sector 60	Gurugram	Operational for less than one year
Red Fox Hotel, Bhiwadi	Bhiwadi	Yes
Red Fox Hotel, Tiruchirappalli(Trichy)	Trichy	Operational for less than one year

Awards and Accolades

We have won several awards over the past years, which include: ranked fourth among India's, and 19th among Asia's, 'Best Companies to Work for', by the Great Place to Work Institute in 2017; joint 'Overall Winner' at World Responsible Tourism Awards at World Travel Market, London in 2016; the Exemplary Hospitality Practice Award at the Cornell Hotel Research Summit in 2014; the Asian Human Capital Award by Ministry of Manpower, Singapore in 2015; the National Award for the empowerment of differently abled individuals in 2011 and 2016; the HICSA Development of the Year Award, 2013 in the Midscale Hotels Category for our work on the Lemon Tree Hotel Chandigarh; the National Award for providing a barrier free environment for differently-abled individuals in 2012; the NCPEDP-Shell Helen Keller Award, for our policies promoting employment of differently-abled individuals, in 2010 and 2012; the Outlook Traveller Award for the Best Mid-Range Hotel in India in 2012; and the NCPDEP-Mphasis Universal Design Award in 2011, for designing accessible hotels for differently-abled individuals.

Insurance

All of our owned hotels and hotels located at leased or licensed premises are insured with independent third parties in respect of buildings and equipment covering losses due to fire, burglary, tenant liability, money insurance and allied perils. We also maintain directors' and officers' liability insurance for our management personnel and accident group insurance and health insurance for our employees. We believe that the insurance policies that we currently hold are adequate for our business and operations and in keeping with industry standards.

Employees

We employed 3,070 personnel as of July 31, 2017 across our owned and leased or licensed properties, as described in the following table, by function:

Hotel Operations	
Front Office	412
Housekeeping	642
Food and Beverage	1111
Maintenance	251
Operations (including hotel general managers)	56
Finance, Purchase, and Stores	131
Human Resources	34
Sales and Marketing	121
Security	61
Technology	17
Corporate – Sales	23
Corporate – Others	151
Grey Fox	60
Total	3070

In addition to our 3,070 full-time employees, we utilize 554 personnel engaged on a contractual basis, in relation to our owned, leased or licensed hotels and 1,048 personnel who render services at our managed hotels, who are employees of the respective hotel owners, as of July 31, 2017.

We have adopted a personnel management model which has been replicated across our hotels. A hotel manager and deputy hotel manager are designated for operating each property. Departmental managers and assistant managers in charge of sales, housekeeping, front desk, food and beverage, food production, maintenance, security, technology and accounting report to the hotel manager and deputy hotel manager.

We consider ourselves to have good relations with our employees. In addition to compensation that includes both salary and allowances (including performance linked bonuses), we provide our employees other benefits which include insurance coverage, medical reimbursements, yearly leave and retirement benefits. Only employees at three of our hotels located at Pune, Aurangabad and Alleppey are members of trade unions.

We provide employment to opportunity deprived Indians which include differently-abled individuals (such as persons with speech and hearing impairments, orthopaedic challenges, down syndrome, acid attack survivors, autism and low vision) and also persons with economic, educational or social disadvantages such as people living below the poverty line, those with low literacy, socially backward, widows or separated or abandoned individuals of employable age. We started this

initiative in 2007 with two differently-abled employees and we employ 662 opportunity deprived Indians, or approximately 22.0% of our total employees, as of July 31, 2017.

We believe these initiatives lead to an engaged and committed workforce. We have been ranked among the “Best Companies to Work for” in India for seven consecutive years from 2011 to 2017, by the Great Place to Work Institute. In 2017, we were ranked the fourth “Best Company to Work for” in India and were the only hotel company in the top 10. See “**Risk Factors – We have a large workforce deployed across our hotels, consequently we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.**” on page 20.

Learning and Development

Our learning and development strategy is to build and strengthen functional and leadership skills of our employees. Our learning initiatives are based on:

- standard operating procedures, i.e., basic training as well as skill enhancement training for associates;
- supervisory and managerial development training for supervisors and managers;
- leadership development training for heads of departments and above;
- customer acquisition and revenue training;
- leadership development programme, which revolves around communication, coaching, feedback, managing performance, decision making and attrition management, among others;
- on-the-job-performance coaching; and
- our ‘train-the-trainer program’ for identified high achieving and high potential employees. Using the train-the-trainer model, identified employees receive coaching and mentoring from experienced personnel.

Other Community Initiatives

We also source art from economically deprived artisans such as ones in Bastar, a region in Chattisgarh, India that is known for bell metal sculptures.

We have a pooch policy (our ‘K9 squad’) whereby we adopt at least one street dog at each of our hotels. These dogs are looked after by the hotel team.

Competition

Our hotels operate in the mid-priced hotel sector in India, with presence across the upper-midscale, midscale and economy hotel segments. The hotel industry in India is intensely competitive and we compete with large multinational and Indian companies, as well as regional and local companies in each of the regions that 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 upscale and economy segments. Some of the major international hotel chains may have certain competitive advantages over us due to their global spread of operations, greater brand recognition and greater marketing and distribution networks. Our success is largely dependent upon our ability to compete in areas such as room rates, quality of accommodation, brand recognition, service level, location of the property and the quality and scope of other amenities, including food and beverage facilities.

See “**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 22.

Intellectual Property

In the highly competitive hospitality industry in which we operate, trademarks, service marks, trade names and logos are very important in the sales and marketing of our hotels and services. We have registered several trademarks under different classes in India. These registrations include “Lemon Tree Hotels”, “Red Fox Hotels by Lemon Tree Hotels”, “Citrus Cafe” and “Clever Fox Cafe”. We have also applied for registration of certain trademarks which are currently pending registration. See “– **Our Brand Portfolio**” and “**Risk Factors – Our inability to protect or use our intellectual property rights may adversely affect our business.**” on pages 144 and 28, respectively.

Immovable Properties

Both our registered office and corporate office are located at Lemon Tree Premier – Delhi Airport, Asset No. 6, Aerocity Hospitality District, New Delhi 110037, which property is situated on land that we occupy through a license granted by

Delhi International Airport Private Limited. For details of our owned and leased or licensed hotel properties, see “– ***Our Hotel Properties***” on page 146.

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, 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, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal. For enforcement, 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. Further, The Food Safety and Standards Rules, 2011 (“FSSR”) which have been operative since August 5, 2011, provide the procedure for registration and licensing process for food business and lay down detailed standards for various food products. The standards include specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. The FSSAI has also framed 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 Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

Environmental Legislations

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”), Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”), and the Hazardous Wastes (Management, Handling 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 which emits air pollutants 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 other pollution into a water body 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 Forest (Conservation) Act, 1980 (“**FCA**”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.

Other Applicable Law

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 *inter alia* 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 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 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 clarified in August 2017 that licensed establishments within municipal limits are exempted from this restriction.

Intellectual Property Laws

The Copyright Act, 1957 protects literary and dramatic works, musical works, artistic works including photographs and audio visual works (cinematograph films and video). The Copyright Act, 1957 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. Trade Marks Act 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 of Industrial Policy and Promotion, 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 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 pricing guidelines and reporting requirements.

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 Employee’s Compensation Act, 1923;
- The Employees State Insurance Act, 1948;

- The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**");
- 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; and
- The Workmen's Compensation Act, 1923.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as “P.M.G Hotels Private Limited” on June 2, 1992, as a private limited company under the Companies Act 1956, at New Delhi, with a certificate of incorporation granted by the RoC. Pursuant to a resolution of our shareholders dated December 13, 2002, the name of our Company was changed to “Krizm Hotels Private Limited” and a fresh certificate of incorporation dated January 7, 2003 was issued by the RoC. Further, pursuant to a resolution of our shareholders dated June 2, 2010, the name of our Company was changed to “Lemon Tree Hotels Private Limited” and a fresh certificate of incorporation consequent to change in name was issued by the RoC on June 10, 2010. On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on September 29, 2012, our name was changed to “Lemon Tree Hotels Limited” and a fresh certificate of incorporation dated October 22, 2012 was issued by the RoC.

Business and management

For a description of our activities, services, technology, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our management, major suppliers, environmental issues, regional geographical segment etc., see “**Our Business**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 136, 119 and 210, respectively. For details of the management of our Company and its managerial competence, see “**Our Management**” on page 181.

Changes in Registered Office

Details of prior changes in the registered office of our Company are as below:

Effective date	Details of change	Reasons for change
August 6, 2002	The address of the registered office of our Company was changed from N 258A, Greater Kailash I, New Delhi 110 048, India to B-6/17, Safdarjung Enclave, New Delhi 110 029, India	Due to operational efficiency
March 20, 2014	The address of the registered office of our Company was changed from B-6/17, Safdarjung Enclave, New Delhi 110 029, India to Asset No. 6, Aerocity Hospitality District, New Delhi 110 037, India	Due to operational efficiency

Our main objects

The main objects of our Company as contained in our MoA are:

- “1. To carry on the business of hotel, motel, resorts, time sharing holiday resorts, restaurant, cafe, catering boarding home, fast foods, industrial feeding canteens, tavern, bars, refreshment, housekeepers, clubs, cabarets, discotheques, baths, dressing rooms, laundries, reading, writing and newspaper rooms, shopping centers, grounds, places of amusement, recreation, convention, exhibitions, symposiums, swimming pools, bakery confectionery, entertainment shows, hairdressers and perfumers.*
- 2. To run educational programmes and courses for training personnel in various fields such as hotel, financial and technical management and to run schools, coaching centers, research centers, hostels, institutes and other allied educational activities in connection with objects referred to in clause (1) above.”*

Amendments to our Memorandum of Association

Since the incorporation of our Company, the following amendments have been made to our MoA:

Date of change/ shareholders’ resolution	Nature of amendment
September 7, 2002	The authorised share capital of our Company was increased from ₹ 100,000 divided into 1,000 equity shares of ₹ 100 each to ₹ 20,000,000 divided into 200,000 equity shares of ₹ 100 each.
December 13, 2002	The authorised share capital of our Company was increased from ₹ 20,000,000 divided into 200,000 equity shares of ₹ 100 each to ₹ 40,000,000 divided into 300,000 equity shares of ₹ 100 each and 5% cumulative redeemable preference shares divided into 100,000 preference shares of ₹ 100 each.

Date of change/ shareholders' resolution	Nature of amendment
	Amendment of clause I of the MoA to change the name of our Company from "P.M.G. Hotels Private Limited" to "Krizm Hotels Private Limited".
January 17, 2003	The authorised share capital of our Company was altered from ₹ 40,000,000 divided into 300,000 equity shares of ₹ 100 each and 5% cumulative redeemable preference shares divided into 100,000 preference shares of ₹ 100 each to ₹ 40,000,000 divided into 3,000,000 equity shares of ₹ 10 each and 5% cumulative redeemable preference shares divided into 100,000 preference shares of ₹ 100 each.
January 7, 2004	The authorised share capital of our Company was increased from ₹ 40,000,000 divided into 3,000,000 equity shares of ₹ 10 each and 5% cumulative redeemable preference shares divided into 100,000 preference shares of ₹ 100 each to ₹ 60,000,000 divided into 5,000,000 equity shares of ₹ 10 each and 5% cumulative redeemable preference shares divided into 100,000 preference shares of ₹ 100 each.
April 12, 2006	The authorised share capital of our Company was increased from ₹ 60,000,000 divided into 5,000,000 equity shares of ₹ 10 each and 100,000 5% cumulative, redeemable preference shares of ₹ 100 each to ₹ 260,000,000 divided into 25,000,000 equity shares of ₹ 10 each and 100,000 5% cumulative, redeemable preference shares of ₹ 100 each.
November 20, 2006	The authorised share capital of our Company was increased from ₹ 260,000,000 divided into 25,000,000 equity shares of ₹ 10 each and 100,000 5% cumulative preference shares of ₹ 100 each to ₹ 490,500,000 divided into 48,050,000 equity shares of ₹ 10 each and 100,000 5% cumulative redeemable preference shares of ₹ 100 each, pursuant to a merger of Winsome into our Company.
February 22, 2008	The authorised share capital of our Company was increased from ₹ 490,500,000 divided into 48,050,000 equity shares of ₹ 10 each and 100,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 530,500,000 divided into 52,050,000 equity shares of ₹ 10 each and 100,000 5% cumulative redeemable preference shares of ₹ 100 each .
March 27, 2008	The authorised share capital of our Company was increased from ₹ 530,500,000 divided into 52,050,000 equity shares of ₹ 10 each and 100,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 536,350,000 divided into 52,185,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹100 each, pursuant to a merger of Tangerine and Muskan with our Company.
September 29, 2008	The authorised share capital of our Company was increased from ₹ 536,350,000 divided into 52,185,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹100 each to ₹ 661,350,000 divided into 64,685,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each.
October 24, 2008	Alteration of sub-clause 38 of Part B of clause III of MoA by adding the following sub-clause: "38. Subject to Sections 292, 293, 295, 372A & 58A of the Companies Act, 1956, and the Regulations made there under and the directions issued by Reserve Bank of India to receive money on deposits or loans and to borrow from Banks / Financial Institutions / NBFC's or any other organization or raise money in such manner and at such time or times as the company may determine and in particular by the issue of debentures, debenture-stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owning by mortgage, charge or lien upon all or any of the properties or assets of revenues and profits of the company, both present and future, including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company or any other such person or company of any obligation under taken by the company of such other person or company and to give the lenders the power to sell and such other powers as may seem expedient and to purchase redeem or payoff any such securities."
May 8, 2009	The authorised share capital of the Company was increased from ₹ 661,350,000 divided into 64,685,000 equity shares of ₹ 10 each and 145,000, 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 789,500,000 divided into 77,500,000 equity shares of ₹ 10 each and 145,000, 5% cumulative redeemable preference shares of ₹ 100 each.
June 2, 2010	Amendment of the MoA to change the name of our Company from "Krizm Hotels Private Limited" to "Lemon Tree Hotels Private Limited".
September 28, 2011	The authorised share capital of the Company was increased from ₹ 789,500,000 divided into 77,500,000 equity shares of ₹ 10 each and 145,000, 5% cumulative redeemable preference shares of

Date of change/ shareholders' resolution	Nature of amendment
	₹ 100 each to ₹ 790,500,000 divided into 77,600,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each, pursuant to the merger of Happy Shrimp with our Company.
April 16, 2012	The authorised share capital of our Company was increased from ₹ 790,500,000 divided into 77,600,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 980,000,000 divided into 96,550,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each.
September 29, 2012	The authorised share capital of our Company was increased from ₹ 980,000,000 divided into 96,550,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 1,340,000,000 divided into 132,550,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each.
October 22, 2012	Amendment of clause I of the MoA to change the name of our Company from “Lemon Tree Hotels Private Limited” to “Lemon Tree Hotels Limited”.
November 7, 2012	The authorised share capital of our Company was increased from ₹ 1,340,000,000 divided into 132,550,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 1,359,000,000 divided into 134,450,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each, pursuant to the merger of Spank Hotels with our Company.
July 25, 2013	The authorised share capital of our Company was increased from ₹ 1,359,000,000 divided into 134,450,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 1,409,500,000 divided into 1,395,00,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each
March 28, 2014	The authorised share capital of our Company was increased from ₹ 1,409,500,000 divided into 1,395,00,000 equity shares of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 10,000,000,000 divided into 998,550,000 of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each.
January 30, 2015	Alteration of the heading appearing in the MoA of our Company by substituting with the following heading: <i>“(THE COMPANIES ACT, 1956) AND (THE COMPANIES ACT, 2013 TO THE EXTENT APPLICABLE)”</i> Alteration of the heading of Part A of clause III of the MoA by substituting with the following new heading: <i>“Objects to be pursued by the company on its incorporation are”</i> Alteration of the heading of Part B of clause III of the MoA by substituting with the following new heading: <i>“Matters which are necessary for furtherance of the objects specified in clause III(A) are”</i> Amendment of sub-clause 1 of Part B of clause III of the MoA by substituting with the following sub-clause: <i>“1. In case of the conversion of the company to a public company subject to the provisions of the Companies Act, 2013 or Companies Act, 1956, to the extent applicable, and other such laws, upon any issue of shares, Debentures or such other securities of the company, to employ brokers commission agents and under-writers and to provide remuneration of such persons for their services by payments in cash or by the issue of shares, debentures or such other securities of the company of all types or by the granting of options to take the same, of all types or in any other such manner as may be allowed by law.”</i> Amendment of sub-clause 12 of Part B of clause III of the MoA by substituting with the following sub-clause: <i>“12. Subject to Sections 391 to 394 of the Companies Act, 1956/ Chapter XV of the Companies Act, 2013 as may be applicable, to enter into partnership or any agreement for sharing profits, union of interest, reciprocal concession, amalgamation or co-operation with any person or persons,</i>

Date of change/ shareholders' resolution	Nature of amendment
	corporation or company, carrying on or about to carry on, or engage in any business or transaction which this Company is authorized to carry on or to engage in any business or transaction capable of being conducted so as to benefit this Company, directly or indirectly, and to take or otherwise acquire and hold stocks or securities and to subsidies or otherwise assist any such company and to sell hold reissue with or without guarantee or other such shares or securities, and to form, constitute or promote any other such company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other such purpose which may seem directly or indirectly calculated to benefit the Company.”
	Amendment of sub-clause 13 of Part B of clause III of the MoA by substituting with the following sub-clause: “13. Subject to Section 67 of the Companies Act, 2013 to invest in other than investment in Company's own shares and deal with the moneys of the Company not immediately required in any scheduled banks or in trust securities or deposit or interest with anybody corporate/individual/firm or in such other manner as is beneficial to the Company.”
	Amendment of sub-clause 15 of Part B of clause III of the MoA by substituting with the following sub-clause: “15. Subject to Sections 391 to 394 of the Companies Act 1956/ Chapter XV of the Companies Act, 2013, to amalgamate with or dispose of or exchange any of the business or undertakings, properties or rights of the Company in consideration of shares, debentures or such other securities of all types and to enter into any agreement or arrangement with other companies, firms or individuals for joint working in business or for sharing of profits in any other such company, firm or person if such acts are advantageous to this Company.”
	Amendment of sub-clause 19 of Part B of clause III of the MoA by substituting with the following sub-clause: “19. Subject to Section 181 of the Companies Act, 2013 to subscribe, contribute or guarantee money for any national, charitable, benevolent, public, general or useful object or funds or for any exhibition.”
	Amendment of sub-clause 29 of Part B of clause III of the MoA by substituting with the following sub-clause: “29. Subject to Sections 100 to 105 of the Companies Act, 1956/ Section 66 of the Companies Act, 2013 to distribute among the members in specie or otherwise any property of the company or any proceeds of sale or disposal of any property of the Company in the event of winding up but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by the Companies Act, 2013.”
	Amendment of sub-clause 30 of Part B of clause III of the MoA by substituting with the following sub-clause: “30. To distribute as dividend or bonus among the members or to place reserve or otherwise to apply, as Company may, from time to time, think fit any money received by way of premium of shares or debentures issued at a premium by the Company and any money received in respect of forfeited shares and money arising from sales by the Company of forfeited shares, subject to the provisions of the Companies Act, 2013 or Companies Act, 1956, to the extent applicable.”
	Amendment of sub-clause 38 of Part B of clause III of the MoA by substituting with the following sub-clause: “38. Subject to Sections 179, 180, 185, 186 & Chapter V of the Companies Act, 2013, and the Regulations made there under and the directions issued by Reserve Bank of India to receive money on deposits or loans and to borrow from Banks/ Financial Institutions NBFC's or any other organization or raise money in such manner and at such time or times as the company may determine and in particular by the issue of debentures, debenture-stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the properties or assets of revenues and profits of the company, both present and future, including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company or any other such person or company of any obligation under taken

Date of change/ shareholders' resolution	Nature of amendment
	<i>by the company of such other person or company and to give the lenders the power to sell and such other powers as may seem expedient and to purchase redeem or pay off any such securities.”</i> Amendment of Part B of clause III of the MoA by adding the following sub-clauses: <i>“40. To carry on and to undertake the sale, purchase or advertise for sale or purchase, assist in selling or purchasing and find purchasers or, vendors of and to manage lands, buildings and other property, whether belonging to the Company or not and to let any portion of any premises for residential, trade or business purposes, or other private or public purposes and to collect income and to supply to occupiers and others, refreshments, clubs, public halls, messengers, lights, waiting rooms, reading rooms, meeting rooms, lavatories, laundry, conveniences, electric conveniences, garages and other such other advantages thereof.</i> <i>41. To promote companies, associations, partnerships with or without limited liability and to take or otherwise acquire and hold shares, securities and debentures in such company or association or any other company carrying on business in India or elsewhere, whether promoted by this Company or not and to appoint any director, trustee, accountant or agent.</i> <i>42. To carry on the business of cafe, refreshment room and boarding and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, malters, distillers, importers and aerated, mineral and artificial water and other drinks, purveyors, cinemas and show business caterers for public amusements, proprietors of motor and other vehicles, garage proprietors, lively stable keepers, job masters, dairymen, ice merchants, importers and brokers of food, live and dead stock and local and foreign produce of all descriptions, hair dressers, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries grounds and places of amusement, recreation, sport, entertainment and institutions of all kinds, tobacco and cigar merchants, agents for railway, shipping and air-plane companies and carriers, cinema, theatrical and opera box proprietors.</i> <i>43. To undertake any advisory, operating, managerial, consultancy or similar work.</i> <i>44. To make loans, invest in securities, give guarantees and provide security to any other such Companies or not in terms of section 186 of the Companies Act, 2013 provided that the Companies shall not carry on banking business within the meaning of Banking Regulations Act, 1949.</i> <i>45. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the Directors may consider to be corporate social and moral responsibility of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic and moral uplift of the public or any section of the public in such manner as directors may think fit.</i> <i>46. To undertake, carryout, promote, sponsor, development of rural or backward area, comprising any programme for the betterment of people in any such area with a view to promote the social and economic status of the masses in those areas and to incur any expenditure on any development programme and to assist execution and promotion thereof whether directly or indirectly or in any other such manner of all type and to transfer with or without consideration or at a concessional value and divert the ownership of any property of the Company in favour of any public body or institution or trust engaged in the execution of development programmes as approved by the Central Government or state of any other such appropriate authority related thereto.”</i>
	Amendment of clause III of the MoA by the deletion of Part C of clause III of the MoA i.e., “The Other Objects”
	Amendment of clause IV by substituting with the following sub-clause: <i>“IV The liability of the Member(s) is Limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”</i>

Further, upon completion of the Proposed Amalgamation, with effect from April 1, 2017 (or any other date as directed by the NCLT), the authorised share capital of our Company will be increased from ₹ 10,000,000,000 divided into 998,550,000 of ₹ 10 each and 145,000 5% cumulative redeemable preference shares of ₹ 100 each to ₹ 10,028,900,000 divided into 1,001,440,000 Equity Shares of ₹ 10 each and 145,000 5% redeemable cumulative preference shares of ₹ 100 each.

Total Number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 610 Equity Shareholders. For further details on the shareholding of our Company, see “**Capital Structure**” on page 71.

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
2004	Opened the first “Lemon Tree Hotel” in Gurugram, Haryana, India
2006	Investment by Maplewood
2008	Investment by Citron
2009	Opened the first “Red Fox” hotel in Jaipur, Rajasthan
2010	Opened the first “Lemon Tree Premier” hotel in Leisure Valley, Gurugram, Haryana, India
2012	Investment by APG
	Commenced the business of management of hotels, through our Subsidiary, Carnation

Awards and Accreditations

Calendar Year	Awards and accreditations
2011	Awarded the national award for the empowerment of persons with disabilities, by the Ministry of Social Justice and Empowerment, Government of India for its outstanding performance as an employer of persons with disabilities
2012	Awarded the national award for empowerment of persons with disabilities by the Ministry of Social Justice and Empowerment, Government of India for providing barrier-free environment for persons with disabilities
2014	Awarded the Hospitality Exemplary Practice award by the Cornell University at the Cornell Hotel Research Summit
2015	Awarded the Asian Human Capital Award by the Ministry of Manpower, Singapore and the Human Capital Leadership Institute, for its inclusivity/ diversity philosophy
2016	Ranked in the 9 th position in the list of India’s best companies to work for, adjudged by the Economic Times and the Great Place to Work Institute, India. Awarded the national award for the empowerment of persons with disabilities, by the Ministry of Social Justice and Empowerment, Government of India for its outstanding performance as an employer of persons with disabilities Adjudged as the Best Company in India for workplace culture transformation by the Economic Times and the Great Place to Work Institute, India Was a joint overall winner in the category of best accommodation for responsible employment, at the World Responsible Tourism Awards in World Travel Market, London
2017	Ranked 4 th in the list of India’s Best Companies to Work for, adjudged by the Economic Times and the Great Place to Work Institute, India Recognised by the Economic Times and the Great Place to Work Institute, India, for being among the best in: (i) the special category of utilizing analytics to drive a great place of place of work; (ii) the industry of hotels and resorts; and (iii) the special category of employer branding. Ranked 19 th by Great Place to Work Institute, for being the best large workplace in Asia

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding debt as on July 31, 2017, have been provided in “**Capital Structure**” and “**Financial Indebtedness**” on pages 71 and 239, respectively. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

Strike and lock-outs

We have not experienced any strike, lock-outs or labour unrest since incorporation.

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 253. 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 compliance with certain conditions in such regulatory approvals that required us to make changes in hotel designs and obtain other clearances. As a result of such time delays, we have also experienced overruns in terms of cost, with respect to certain such hotel projects. 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 – We are exposed to risks associated with the ownership and development of our hotel properties. Delays in the constructions of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition**” on page 16.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

There are no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

Injunctions or Restraining Order against our Company

There are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Except as disclosed below, our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation.

(i) Scheme of amalgamation of Winsome Entertainment & Tourism Private Limited with our Company

Pursuant to an order dated November 20, 2006, the High Court of Delhi sanctioned a scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, whereby Winsome was amalgamated into our Company. The appointed date for such merger was May 1, 2006 while the effective date was January 18, 2007.

The entire undertaking of Winsome including all assets, properties, liabilities, debts, rights and obligations, immovable and movable assets of Winsome were transferred to and vested in our Company as a going concern. For every 100 fully paid up equity shares of ₹ 10 each of Winsome, 125 fully paid up Equity Shares were allotted to the shareholders of Winsome except our Company, whose shareholding in Winsome was cancelled.

(ii) Scheme of amalgamation of Muskan Properties Private Limited and Tangerine Hotels Private Limited with our Company

Pursuant to an order dated March 27, 2008, the High Court of Delhi sanctioned a scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, whereby Muskan and Tangerine, were merged into our Company. The appointed date for such merger was April 1, 2007 and the effective date was May 1, 2008.

The entire undertakings of Muskan and Tangerine including all assets, properties, debts, liabilities, rights and obligations, immovable and movable assets of Muskan and Tangerine were transferred to and vested in our Company as a going concern.

For every fully paid up equity share of ₹ 10 each of Muskan held by its shareholders, 53 fully paid up Equity Shares were allotted to the shareholders of Muskan, except our Company, whose shareholding in Muskan was cancelled. For every fully paid up equity share of ₹ 1 each of Tangerine held by its shareholders, two fully paid up Equity Shares were allotted to the shareholders of Tangerine and for every one 5% redeemable cumulative preference shares of ₹ 100 each of Tangerine held by its shareholders, one 5% redeemable cumulative preference shares of ₹ 100 each of our Company were allotted to the shareholders of Tangerine.

(iii) Scheme of amalgamation of Happy Shrimp Hospitality Private Limited with our Company

Pursuant to an order dated September 28, 2011, the High Court of Delhi sanctioned a scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, whereby Happy Shrimp was merged into our Company. The appointed date for such merger was April 1, 2010 and the effective date was December 1, 2011.

The entire undertaking of Happy Shrimp including all assets, properties, debts, liabilities, rights and obligations, immovable and movable assets of Happy Shrimp were transferred to and vested in our Company as a going concern. There was no issue and allotment of shares to the shareholders of Happy Shrimp in consideration of the amalgamation as Happy Shrimp was our wholly owned subsidiary.

(iv) Scheme of amalgamation of Spank Hotels Private Limited with our Company

Pursuant to an order dated November 7, 2012, the High Court of Delhi sanctioned a scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, whereby Spank Hotels was merged into our Company. The appointed date for such merger was April 1, 2011 and the effective date was January 10, 2013.

The entire undertaking of Spank Hotels including all assets, liabilities, rights and obligations, immovable and movable assets of Spank Hotels were transferred to and vested in our Company as a going concern and for every one fully paid up equity share of ₹ 1 each of Spank Hotels held by its shareholders, two fully paid up Equity Shares were allotted to the shareholders of Spank Hotels.

(v) Proposed Amalgamation

Pursuant a resolution of Board dated June 15, 2017 and consents received from each shareholder of the Company as on the date of the filing, a petition dated August 3, 2017 (C.A. (CAA)-101(PB)/2017)) has been filed before the National Company Law Tribunal (“NCLT”) under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act 2013 for the proposed amalgamation of certain companies currently forming part of our Promoter Group, i.e., Aster, PRN and HeadStart, with our Company with effect from April 1, 2017 or any other date as directed by the NCLT.

The entire undertakings of Aster, PRN and HeadStart including all their respective properties, assets, liabilities, reserves and surplus will be transferred to our Company as a going concern upon implementation of the Proposed Amalgamation. In terms of the scheme, for every one fully paid up equity share of ₹ 1 each in Aster, the shareholders of Aster will receive six fully paid up Equity Shares. Further, for every 1,000 fully paid up equity shares of ₹ 1 each in PRN, the shareholders of PRN will receive 6,114 fully paid up Equity Shares and for every 1,000 equity shares of ₹ 1 each in HeadStart, the shareholders of HeadStart will receive 460 fully paid up Equity Shares and the shareholding of the aforementioned three transferor companies in our Company shall stand cancelled.

Material Agreements

Share subscription agreement and shareholders agreement, each dated July 25, 2006 entered into among our Company, Maplewood, Mr. Patanjali Govind Keswani, Gokal Group, Dianmo Holdings Limited (now merged into Palms International), RJ Corp Limited, Palms International Investments Limited, Aster and PRN, as amended (the “Maplewood SHA”)

Pursuant to the share subscription agreement dated July 25, 2006 (“**Maplewood SSA**”), Maplewood made investments in our Company and holds 24.53% of our Equity Share capital, as on the date of this Draft Red Herring Prospectus. Maplewood has invested an aggregate amount of ₹ 3,313.23 million in our Company (including ₹ 706.00 million in Spank Hotels Private Limited, which was merged into our Company with effect from April 1, 2011, and ₹ 326.33 million through secondary purchases of Equity Shares of our Company and equity shares of Winsome, which was merged into our Company with effect from May 1, 2006).

In accordance with the terms of the Maplewood SHA, Maplewood has certain rights and obligations, including pre-emptive rights in the event our Company issues any new securities, the right to nominate (a) two directors on our Board as long as Maplewood holds at least 25% of our issued Equity Share capital or holds at least 20% of the total issued Equity Share capital of our Company and is the single largest Shareholder; (b) one director on our Board as long as it holds at least 10% of our issued Equity Share capital of our Company; (c) a director on each committees of our Board; and (d) a director on the board of directors of each of our subsidiaries, exit rights and tag-along rights in the event of certain proposed transfer of shares by other parties and certain information rights.

Further, according to the Maplewood SHA, our Promoter, Mr. Patanjali Govind Keswani shall be the Chairman and Managing Director of our Company. Further, our Promoters (together with certain affiliates) also has certain rights under the Maplewood SHA, including the right to jointly nominate two director on our Board as well on the board of directors of each of our subsidiaries and a tag-along right in respect of certain proposed transfer of shares by other parties.

In accordance with the terms of the amendment agreement dated August 11, 2017, Maplewood SHA will automatically terminate in its entirety upon the listing and trading of the Offered Shares on the Stock Exchanges, without requiring any further action by any party. However, such amendment shall cease to be valid and shall not have any effect if the Offer is not completed on or before June 30, 2018. Further, in terms of Part A of our Articles of Association (which will become effective from the commencement of listing of our Equity Shares on the Stock Exchanges pursuant to this Offer) and in accordance with the terms of the amendment agreement dated August 11, 2017, Maplewood will have the right to nominate one director on our Board, so long as Maplewood holds at least 10% of our Company's fully diluted paid-up share capital, subject to such right being approved by the members of the Company through a special resolution at the first general meeting of the Company held post completion of this Offer. For further details, see "**Main Provisions of the Articles of Association – Part A**" on page 320.

Share purchase agreements entered into among our Company, Mr. Patanjali Govind Keswani (as a Promoter) and certain erstwhile shareholders of our Company (including certain employees) and the Citron rights agreement, entered into among our Company, Mr. Patanjali Govind Keswani (as a Promoter and as a representative of certain of his affiliates) and Citron, as amended, each dated March 19, 2008 (the "Citron Agreements")

Pursuant to the Citron Agreements, Citron purchased Equity Shares of our Company from certain existing shareholders (including employees) and holds 1.32% of our Equity Share capital, as on the date of this Draft Red Herring Prospectus. Citron has invested an aggregate amount of ₹ 418.82 million in our Company (including ₹ 399 million through secondary purchases of Equity Shares).

In accordance with the terms of the Citron Agreements, Citron has certain rights and obligations, including the right to appoint an observer to attend all meetings of our Board as long as it holds at least 1,000,000 Equity Shares, tag-along rights in relation to certain proposed transfer of shares by certain shareholders of the Company, including our Promoters and certain information rights. Further, according to the Citron Agreements, if Citron proposes to transfer Equity Shares resulting in an entity holding more than 25% of our Equity Share capital, Citron shall first offer such equity shares to the other shareholders of our Company.

The Citron Agreements will automatically terminate upon the consummation of an initial public offering by our Company, without requiring any further action by any party.

Share subscription and investor rights agreement dated April 25, 2012 entered into among our Company, APG, Mr. Patanjali Govind Keswani, SMSPL, Aster Management Services Private Limited and PRN, as amended (the "APG Investor Agreement")

Pursuant to the APG Investor Agreement, APG made investments in our Company and holds 15.10% of our Equity Share capital, as on the date of this Draft Red Herring Prospectus. APG has invested an aggregate amount of ₹ 4,249 million in our Company (including ₹ 2,461 million through secondary purchases of Equity Shares).

In accordance with the terms of the APG Investor Agreement, APG has certain rights and obligations, including the right to nominate a director on our Board (as long as APG holds at least 7.5% of our paid-up Equity Share capital on a fully diluted basis), right to appoint an observer to attend all meetings of our Board and certain information rights (in both cases, as long as APG holds at least 5% of our paid-up Equity Share capital on a fully diluted basis). Further, according to the APG Investor Agreement, APG proposes to transfer Equity Shares held by it resulting in an entity holding more than 25% of our Equity Share capital of our Company, APG shall first offer such equity shares first to the Promoter and its affiliates.

The APG Investor Agreement will automatically terminate in its entirety upon the consummation of an initial public offering by our Company, without requiring any further action by any party. However, in terms of Part A of our Articles of Association (which will become effective from the commencement of listing of our Equity Shares pursuant to this Offer), APG will have the right to nominate one director on our Board, so long as it holds at least 10% of our Company's fully diluted paid-up share capital, subject to such right being approved by the members of our Company through a special resolution at the first general meeting of the Company held post completion of this Offer. For further details, see "**Main Provisions of the Articles of Association – Part A**" on page 320.

Subscription and shareholders' agreement dated February 19, 2015 entered into among APG, our Company and Mr. Patanjali Govind Keswani and Nightingale ("Nightingale SSHA")

Pursuant to the Nightingale SSHA dated February 19, 2015 APG invested in equity shares of Nightingale, one of our Subsidiaries, comprising 42.47% of Nightingale's equity share capital. APG has invested ₹ 609.03 million in Nightingale.

In accordance with the terms of the Nightingale SSHA, APG and our Company have certain mutual rights and obligations, including the right of first refusal and tag along rights in relation to a proposed transfer of shares by the other shareholder. Further, APG has the right to nominate and appoint up to one-third of the board of Nightingale as long as APG or its affiliates hold more than 25% of the total issued and paid up share capital of Nightingale (on a fully diluted basis) and our Company has the right to nominate and appoint up to two-thirds of the board of Nightingale as long as our Company or our affiliates hold 25% of the total issued and paid-up share capital of Nightingale.

Certain matters, including acquisition/ development of new assets by Nightingale; incurring a capital expenditure for operating the Lemon Tree Hotel in Hyderabad if such expenditure exceed ₹ 25,000,000 for any Fiscal; disposal of any asset of Nightingale; incurring any debt or equity financing that will result in the debt to equity ratio to exceed 1.5:1; any material deviation (10% or more) from the constructions budgets, capital expenditure plans and budgets for operating expenses; payment of any development management fee to our Company in respect of any upgrade or renovation work that will require Nightingale to invest ₹ 25,000,000 or more on the Lemon Tree Hotel in Hyderabad, can be undertaken by Nightingale only on the receipt of an unanimous consent of the board of directors of Nightingale.

Further, our Chairman and Managing Director, Mr. Patanjali Govind Keswani has undertaken that his (direct or indirect) fully diluted shareholding in our Company will not fall below 20% during the first three years after the date of the Nightingale SSHA and 15% during the next three years after the third anniversary of the Nightingale SSHA.

The Nightingale SSHA will stand terminated on the occurrence of the earlier of the following events: (i) upon the mutual written agreement of the shareholders of Nightingale; (ii) upon the expiry of 12 years from May 9, 2012, unless extended in accordance with (iii); (iii) upon expiry of 15 years from May 9, 2012, if extended by mutual agreement by the shareholders; or (iv) upon the dissolution, liquidation or an insolvency event of Nightingale.

Subscription and shareholders' agreement dated April 25, 2012 entered into among APG, our Company, Mr. Patanjali Govind Keswani and Fleur ("Fleur SSHA")

Pursuant to the Fleur SSHA dated April 25, 2012, APG subscribed to equity shares of Fleur, one of our Subsidiaries, comprising 42.02% of Fleur's equity share capital. APG has invested an aggregate of ₹ 5,462.03 million in Fleur.

In accordance with the terms of the Fleur SSHA, APG and our Company have certain mutual rights and obligations, including the right of first refusal and tag along rights in relation to a proposed transfer of shares by the other shareholder. Further, APG has the right to nominate and appoint up to one-third of the board of Fleur as long as APG or its affiliates hold more than 25% of the total issued and paid up share capital of Fleur (on a fully diluted basis) and our Company has the right to nominate and appoint up to two-thirds of the board of Fleur as long as our Company or our affiliates hold 25% of the total issued and paid-up share capital of Fleur.

Certain matters, including acquisition/ development of new assets by Fleur where the estimate total cost of the project will exceed ₹ 1,000,000,000; incurring a capital expenditure for operating hotels if such expenditure exceed ₹ 25,000,000 for operating a single hotel in any Fiscal and ₹ 200,000,000 in aggregate across the entire portfolio of operating hotels in any Fiscal; incurring any debt or equity financing that will result in the debt to equity ratio to exceed 1.5:1; disposal of any asset of a capital nature having a book or market value greater than ₹ 250,000,000; any material deviations (10% or more) from the construction budgets, capital expenditure plans and budgets for operating expenses; payment of any development management fee to our Company in respect of any upgrade or renovation work that will require Fleur to invest ₹ 25,000,000 or more in any one operating hotel, can be undertaken by Fleur only on the receipt of an unanimous consent of the board of directors of Fleur.

Further, our Chairman and Managing Director, Mr. Patanjali Govind Keswani has undertaken that his (direct or indirect) fully diluted shareholding in our Company will not fall below 20% during the first three years after the date of the Fleur SSHA and 15% during the next three years after the third anniversary of the Fleur SSHA.

The Fleur SSHA will stand terminated on the occurrence of the earlier of the following events: (i) upon the mutual written agreement of the shareholders of Fleur; (ii) upon the expiry of 12 years from June 6, 2012, unless extended as per (iii); (iii) upon expiry of 15 years from June 6, 2012, if extended by mutual agreement by the shareholders; or (iv) upon the dissolution, liquidation or an insolvency event of Fleur.

Subscription and shareholders' agreement dated June 15, 2015 entered into among APG, our Company, Mr. Patanjali Govind Keswani and Begonia ("Begonia SSHA")

Pursuant to the Begonia SSHA, APG subscribed to equity shares of Begonia, one of our Subsidiaries, comprising 25.89% of Begonia's equity share capital on a fully diluted basis. APG has invested ₹ 308.97 million in Begonia.

In accordance with the terms of the Begonia SSHA, APG and our Company have certain mutual rights and obligations, including the right of first refusal and tag along rights in relation to a proposed transfer of shares by the other shareholder. Further, APG has the right to nominate and appoint up to one-third of the board of Begonia as long as APG or its affiliates hold more than 25% of the total issued and paid up share capital of Begonia (on a fully diluted basis) and our Company has the right to nominate and appoint up to two-thirds of the board of Begonia as long as our Company or our affiliates hold 25% of the total issued and paid-up share capital of Begonia.

Certain matters, including acquisition/ development of new assets by Begonia; incurring a capital expenditure for operating the Lemon Tree Amarante Beach Resort in Goa if such expenditure exceed ₹ 25,000,000 for any Fiscal; incurring any debt or equity financing that will result in the debt to equity ratio to exceed 1.5:1; disposing of any asset of Begonia; payment of any development management fee to our Company in respect of any upgrade or renovation work that will require Begonia to invest ₹ 25,000,000 or more on Lemon Tree Amarante Beach Resort in Goa; any material deviation (10% or more) from the construction budget, capital expenditure plans and budget for operating expenses, can be undertaken by Begonia only on the receipt of an unanimous consent of the board of directors of Begonia.

Further, our Chairman and Managing Director, Mr. Patanjali Govind Keswani has undertaken that his (direct or indirect) fully diluted shareholding in our Company will not fall below 20% during the first three years after the date of the Begonia SSHA and 15% during the next three years after the third anniversary of the Begonia SSHA.

The Begonia SSHA will stand terminated on the occurrence of the earlier of the following events: (i) upon the mutual written agreement of the shareholders of Begonia; (ii) upon the expiry of 12 years from May 9, 2012, unless extended in accordance with (iii); (iii) upon expiry of 15 years from May 9, 2012, if extended by mutual agreement by the shareholders; or (iv) upon the dissolution, liquidation or an insolvency event of Begonia.

Other Agreements

Our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Draft Red Herring Prospectus.

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 13 direct and eight indirect Subsidiaries.

Direct Subsidiaries

1. Begonia Hotels Private Limited (“Begonia”)

Begonia was incorporated under the Companies Act 1956 on April 15, 2009, as a private limited company. Its CIN is U55101DL2009PTC189339 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Begonia currently owns the Lemon Tree Amarante Beach Resort in Goa which is operated and managed by our Company.

The authorized share capital of Begonia is ₹ 15,000,000 divided into 15,000,000 equity shares of ₹ 1 each and its paid-up share capital is ₹14,645,682 divided into 14,645,682 equity shares of ₹ 1 each. Our Company currently holds 74.11% of the issued equity share capital of Begonia with the balance 25.89% being held by APG.

There are no accumulated profits or losses of Begonia not accounted for by our Company.

2. Canary Hotels Private Limited (“Canary”)

Canary was incorporated under the Companies Act 1956 on January 6, 2006, as a private limited company. Its CIN is U55101DL2006PTC144532 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Canary currently owns the Lemon Tree Hotel, East Delhi Mall, Kaushambi, which is operated and managed by our Company.

The authorized share capital of Canary is ₹ 331,000,000 divided into 11,000,000 equity shares of ₹ 1 each and 2,700,000 10% cumulative redeemable preference shares of ₹ 100 each and 500,000 5% redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹ 307,945,400 divided into 5,945,400 equity shares of ₹ 1 each and 2,700,000 10% cumulative redeemable preference shares of ₹100 each and 320,000 5% redeemable preference shares of ₹ 100 each. Our Company

(directly and through our nominee, Mr. Patanjali Govind Keswani) currently holds 100% of the issued equity share capital and 100% of the preference share capital of Canary.

There are no accumulated profits or losses of Canary not accounted for by our Company.

3. *Carnation Hotels Private Limited (“Carnation”)*

Carnation was incorporated under the Companies Act 1956 on December 24, 2002, as a private limited company. Its CIN is U55101DL2002PTC118180 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Carnation is currently engaged in the business of operating and managing our managed hotels.

The authorized share capital of Carnation is ₹ 36,000,000 divided into 1,000,000 equity shares of ₹ 1 each and 350,000 5% redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹35,934,580 divided into 934,580 equity shares of ₹ 1 each and 350,000 5% redeemable preference shares of ₹ 100 each. Our Company (directly and through our nominees Mr. Davander Tomar, Mr. Kapil Sharma, Mr. Sumant Jaidka, Mr. Cyrus Madan, Mr. Patanjali Govind Keswani and Mr. Prashant Mehrotra) currently holds 100% of the issued equity share capital of Carnation and our Company also holds 100% of the 5% redeemable preference share capital of Carnation. However, pursuant to a resolution of our Board dated August 11, 2017, our Company will transfer 25.10% of the equity shares held by it in Carnation to Mr. Rattan Keswani, at book value or face value, whichever is higher on or prior to March 31, 2019.

There are no accumulated profits or losses of Carnation not accounted for by our Company.

4. *Dandelion Hotels Private Limited (“Dandelion”)*

Dandelion was incorporated under the Companies Act 1956 on July 19, 2007, as a private limited company. Its CIN is U55101DL2007PTC166044 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. While Dandelion is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes etc.

The authorized share capital of Dandelion is ₹ 100,000 divided into 100,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 100,000 divided into 100,000 equity shares of ₹ 1 each. Our Company (directly and through our nominee, Mr. Kapil Sharma) currently holds 100% of the issued equity share capital of Dandelion.

There are no accumulated profits or losses of Dandelion not accounted for by our Company.

5. *Fleur Hotels Private Limited (“Fleur”)*

Fleur was incorporated as Cyberhills Developers Private Limited on July 9, 2003, as a private limited company under the Companies Act 1956. Pursuant to a change in the name from Cyberhills Developers Private Limited to Fleur Hotels Private Limited, a new certificate of incorporation dated April 10, 2012 was issued by the RoC. Its CIN is U55101DL2003PTC207912 and its registered office is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110 037, India. Fleur currently owns or leases, as applicable, the Lemon Tree Premier Hotel, Hitech City, Hyderabad; Lemon Tree Hotel in Candolim, Goa, Lemon Tree Hotel in Sector 60, Gurugram, Red Fox Hotel in Sector 60, Gurugram, Lemon Tree Premier in Leisure Valley-2, Gurugram and these are operated and managed by our Company. Fleur is our Company’s material subsidiary, as defined under the SEBI Listing Regulations. For details of the common independent director appointed to the board of Fleur, see “**Our Management – Corporate Governance**” on page 190.

The authorized share capital of Fleur is ₹ 1,210,000,000 divided into 121,000,000 equity shares of ₹ 10 each and its paid-up share capital is ₹ 592,862,530 divided into 59,286,253 equity shares of ₹ 10 each. Our Company currently holds 57.98% of the issued equity share capital of Fleur with the balance 42.02% being held by APG.

There are no accumulated profits or losses of Fleur not accounted for by our Company.

6. *Lemon Tree Hotel Company Private Limited (“Lemon Tree Hotel”)*

Lemon Tree Hotel was incorporated under the Companies Act 1956 on January 24, 2007, as a private limited company. Its CIN is U55101DL2007PTC158376 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. While Lemon Tree Hotel is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes etc.

The authorized share capital of Lemon Tree Hotel is ₹ 400,000 divided into 400,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 350,000 divided into 350,000 equity shares of ₹ 1 each. Our Company (directly and through our nominee, Mr. Kapil Sharma) currently holds 100% of the issued equity share capital of Lemon Tree Hotel.

There are no accumulated profits or losses of Lemon Tree Hotel not accounted for by our Company.

7. Grey Fox Project Management Company Private Limited

Grey Fox was incorporated under the Companies Act 1956 on July 2, 2012, as a private limited company. Its CIN is U74140DL2012PTC238272 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Grey Fox is currently engaged in the business of providing project management services to our Company and other Subsidiaries.

The authorized share capital of Grey Fox is ₹ 50,000,000 divided into 1,000,000 equity shares of ₹ 1 each and 490,000 5% redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹ 42,500,668 divided into 500,668 equity shares of ₹ 1 each and 420,000 5% redeemable preference shares of ₹ 100 each. Our Company (directly and through our nominee, Mr. Kapil Sharma) currently holds 100% of the issued equity share capital of Grey Fox and 100% of its 5% redeemable preference share capital.

There are no accumulated profits or losses of Grey Fox not accounted for by our Company.

8. PSK Resorts and Hotels Private Limited (“PSK”)

PSK was incorporated as PSK Management Services Private Limited on October 25, 2007 as a private limited company under the Companies Act 1956. Pursuant to a change in its name to PSK Resorts and Hotels Private Limited, a fresh certificate of incorporation dated November 24, 2008 was issued by the RoC. Its CIN is U74140DL2007PTC169861 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. While PSK is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes, etc.

The authorized share capital of PSK is ₹ 14,000,000 divided into 9,000,000 equity shares of ₹ 1 each and 50,000 5% redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹ 8,667,000 divided into 8,667,000 equity shares of ₹ 1 each. Our Company (directly and through our nominee, Mr. Patanjali Govind Keswani) currently holds 100% of the issued equity share capital of PSK.

There are no accumulated profits or losses of PSK not accounted for by our Company.

9. Red Fox Hotel Company Private Limited (“Red Fox”)

Red Fox was incorporated under the Companies Act 1956 on January 13, 2007, as a private limited company. Its CIN is U55204DL2007PTC157848 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. While Red Fox is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes etc.

The authorized share capital of Red Fox is ₹ 100,000 divided into 100,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 100,000 divided into 100,000 equity shares of ₹ 1 each. Our Company (directly and through our nominee, Mr. Kapil Sharma) currently holds 100% of the issued equity share capital of Red Fox.

There are no accumulated profits or losses of Red Fox not accounted for by our Company.

10. Sukhsagar Complexes Private Limited (“Sukhsagar”)

Sukhsagar was incorporated under the Companies Act 1956 on April 27, 1993, as a private limited company. Its CIN is U70101DL1993PTC172878 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Sukhsagar currently owns the Red Fox Hotel in Jaipur which is operated and managed by our Company.

The authorized share capital of Sukhsagar is ₹ 99,800,000 divided into 500,000 equity shares of ₹ 10 each and 948,000 5% redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹ 81,950,000 divided into 495,000 equity shares of ₹ 10 each and 770,000 preference shares of ₹ 100 each. Our Company (directly and through our nominee, Mr. Kapil Sharma) currently holds 100% of the issued equity share capital of Sukhsagar and it also holds 100% of the preference share capital of Sukhsagar.

There are no accumulated profits or losses of Sukhsagar not accounted for by our Company.

11. Nightingale Hotels Private Limited (“Nightingale”)

Nightingale was incorporated under the Companies Act 1956 on January 19, 2007, as a private limited company. Its CIN is U55101DL2007PTC158178 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Nightingale currently owns the Lemon Tree Hotel in Gachibowli, Hyderabad which is operated and managed by our Company.

The authorized share capital of Nightingale is ₹ 130,500,000 divided into 130,500,000 equity shares of ₹ 1 each and its paid-up share capital is ₹130,366,000 divided into 130,366,000 equity shares of ₹ 1 each. Our Company currently holds 57.53% of the issued equity share capital of Nightingale with the balance 42.47% being held by APG.

There are no accumulated profits or losses of Nightingale not accounted for by our Company.

12. Oriole Dr. Fresh Hotels Private Limited (“Oriole”)

Oriole was incorporated as Sunehari Healthcare Services Private Limited on September 9, 2004 as a private limited company under the Companies Act 1956. Pursuant to a change in its name to Dr. Fresh IT Park Private Limited, a fresh certificate of incorporation dated March 15, 2007 was issued by the RoC. Further, the name of the company was changed to Oriole Dr. Fresh Hotels Private Limited, pursuant to which a fresh certificate of incorporation dated July 24, 2007 was issued by the RoC. Its CIN is U85110DL2004PTC128937 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Oriole currently owns the Red Fox Hotel in East Delhi which is operated and managed by our Company.

The authorized share capital of Oriole is ₹ 181,000,000 divided into 200,000 equity shares of ₹ 10 each and 1,790,000 5% cumulative redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹181,000,000 divided into 200,000 equity shares of ₹ 10 each and 1,790,000 cumulative redeemable preference shares of ₹ 100 each. Our Company currently holds 100% (directly and through our nominees, Mr. Kapil Sharma, Mr. Davandar Tomar, Mr. Patanjali Govind Keswani, Mr. Sumant Jaidka, Mr. Cyrus Madan and Mr. Rattan Keswani) of the issued equity share capital of Oriole and it also holds 100% of the preference share capital of Oriole.

There are no accumulated profits or losses of Oriole not accounted for by our Company.

13. Meringue Hotels Private Limited (“Meringue”)

Meringue was incorporated under the Companies Act 1956 on January 6, 2006, as a private limited company. Its CIN is U55101DL2006PTC144533 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Meringue is currently engaged in the construction of one of our owned hotels in Andheri (East), Mumbai.

The authorized share capital of Meringue is ₹ 103,000,000 divided into 3,000,000 equity shares of ₹ 1 each and 10,000,000 redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹ 95,935,134 divided into 1,935,134 equity shares of ₹ 1 each and 940,000 redeemable preference shares of ₹ 100 each. Our Company holds 54.94% of the issued equity share capital of Meringue and the balance 45.06% is held by Dandelion. Further, Dandelion holds 100 % of the preference share capital of Meringue.

There are no accumulated profits or losses of Meringue not accounted for by our Company.

Indirect Subsidiaries

1. Bandhav Resorts Private Limited (“Bandhav”)

Bandhav was incorporated under the Companies Act 1956 on October 21, 2008, as a private limited company. Its CIN is U55100MP2008PTC021259 and its registered office is located at Khasra No. 3/1, Village Bijuria Tehsil Manpur Umaria, Madhya Pradesh 484 665, India. However, Bandhav is in the process of shifting its registered office to New Delhi. Bandhav currently owns the Lemon Tree Wildlife Resort in Bandhavgarh which is managed and operated by our Company.

The authorized share capital of Bandhav is ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each and its paid-up share capital is ₹ 2,311,000 divided into 23,110 equity shares of ₹ 100 each. Bandhav is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Bandhav being held by Fleur (directly and through its nominee, Mr. Patanjali Govind Keswani).

There are no accumulated profits or losses of Bandhav not accounted for by our Company.

2. Celsia Hotels Private Limited (“Celsia”)

Celsia was incorporated as Amit Promoters and Contractors Private Limited on December 30, 2003 as a private limited company under the Companies Act 1956, with the RoC. Pursuant to a change in name from Amit Promoters and Contractors Private Limited to Celsia Hotels Private Limited, a fresh certificate of incorporation dated June 24, 2008 was issued by the RoC. Its CIN is U45201DL2003PTC191326 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Celsia currently owns the Lemon Tree Hotel in Electronic City, Bengaluru which is operated and managed by our Company.

The authorized share capital of Celsia is ₹ 500,350,000 divided into 350,000 equity shares of ₹ 1 each and 5,000,000 redeemable preference shares of ₹ 100 each. Its paid-up share capital is ₹346,677 divided into 346,677 equity shares of ₹ 1 each. Celsia is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Celsia being held by Fleur (directly and through its nominee, Mr. Kapil Sharma).

There are no accumulated profits or losses of Celsia not accounted for by our Company.

3. *Hyacinth Hotels Private Limited (“Hyacinth”)*

Hyacinth was incorporated under the Companies Act 1956 on July 19, 2007, as a private limited company. Its CIN is U55204DL2007PTC166050 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Hyacinth currently holds the license rights to the Lemon Tree Premier hotel in Delhi Airport, New Delhi which is operated and managed by our Company.

The authorized share capital of Hyacinth is ₹ 8,350,000 divided into 8,350,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 7,100,000 divided into 7,100,000 equity shares of ₹ 1 each. Hyacinth is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Hyacinth being held by Fleur (directly and through its nominee, Mr. Patanjali Govind Keswani).

There are no accumulated profits or losses of Hyacinth not accounted for by our Company.

4. *Inovoa Hotels and Resorts Limited (“Inovoa”)*

Inovoa was incorporated as Inovoa Securities Limited was incorporated on April 24, 1995 as a public limited company under the Companies Act 1956. Pursuant to its conversion from a public to private company, its name was changed to Inovoa Securities Private Limited and a fresh certificate of incorporation dated March 4, 2005 was issued by the RoC. Further, the name of the company was changed to Inovoa Hotels and Resorts Private Limited and a fresh certificate of incorporation dated March 9, 2006 was issued by the RoC. Pursuant to its conversion from a private to public company, its name was changed to Inovoa Hotels and Resorts Limited and a fresh certificate of incorporation dated February 24, 2010 was issued by the RoC. Its CIN is U65921DL1995PLC067686 and its registered office is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110 037. Inovoa currently owns the Lemon Tree Hotel in Whitefield, Bengaluru which is operated and managed by our Company.

The authorized share capital of Inovoa is ₹ 250,000,000 divided into 22,000,000 equity shares of ₹ 10 each and 300,000 preference shares of ₹ 100 each. Its paid-up share capital is ₹ 214,800,000 divided into 21,480,000 equity shares of ₹ 10 each. Inovoa is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Inovoa being held by Fleur (directly and through its nominees, Mr. Rattan Keswani, Mr. Davandar Tomar, Mr. Kapil Sharma, Mr. Suman Jaidka, Mr. Cyrus Madan and Mr. Patanjali Govind Keswani).

There are no accumulated profits or losses of Inovoa not accounted for by our Company.

5. *Iora Hotels Private Limited (“Iora”)*

Iora was incorporated under the Companies Act 1956 on August 7, 2009, as a private limited company. Its CIN is U55101DL2009PTC192981 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Iora currently holds leasehold rights on a plot obtained from Mumbai International Airport Limited on which it is constructing its hotel.

The authorized share capital of Iora is ₹ 45,000,000 divided into 45,000,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 45,000,000 divided into 45,000,000 equity shares of ₹ 1 each.

Iora is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Iora being held by Fleur (directly and through its nominee, Mr. Patanjali Govind Keswani).

There are no accumulated profits or losses of Iora not accounted for by our Company.

6. *Manakin Resorts Private Limited (“Manakin”)*

Manakin was incorporated as Grand Nirvana Holiday Resorts Private Limited on November 7, 2005 as a private limited company under the Companies Act 1956. Pursuant to a change in its name to Manakin Resorts Private Limited, a fresh certificate of incorporation dated June 1, 2009 was issued. Its CIN is U55101DL2005PTC212230 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Manakin currently owns the Lemon Tree Vembanand Lake Resort in Muhamma, Kerala which is operated and managed by our Company.

The authorized share capital of Manakin is ₹ 60,000,000 divided into 6,000,000 equity shares of ₹ 10 each and its paid-up share capital is ₹57,142,800 divided into 5,714,280 equity shares of ₹ 10 each. Manakin is our indirect subsidiary with 90% of the issued equity share capital of Manakin being held by PSK with the balance 10% being held by our Company.

There are no accumulated profits or losses of Manakin not accounted for by our Company.

7. *Ophrys Hotels Private Limited (“Ophrys”)*

Ophrys was incorporated under the Companies Act 1956 on July 19, 2007, as a private limited company. Its CIN is U55101DL2007PTC166020 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. While Ophrys is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes, etc.

The authorized share capital of Ophrys is ₹ 300,000 divided into 300,000 equity shares of ₹ 1 each and its paid-up share capital is ₹250,000 divided into 250,000 equity shares of ₹ 1 each. Ophrys is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Ophrys being held by Fleur (directly and through its nominee, Mr. Patanjali Govind Keswani).

There are no accumulated profits or losses of Ophrys not accounted for by our Company.

8. *Valerian Management Services Private Limited (“Valerian”)*

Valerian was incorporated under the Companies Act 1956 on October 17, 2007, as a private limited company. Its CIN is U20296DL2007PTC169518 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Valerian is currently engaged in the business of providing project management services.

The authorized share capital of Valerian is ₹ 1,000,000 divided into 1,000,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 100,000 divided into 100,000 equity shares of ₹ 1 each. Valerian is an indirect subsidiary of our Company, with 100% of the issued equity share capital of Valerian being held by Grey Fox (directly and through its nominee, Mr. Naresh Chander Malhotra).

There are no accumulated profits or losses of Valerian not accounted for by our Company.

Our Associate Companies

As on the date of this Draft Red Herring Prospectus, our Company has two Associate Companies, details of which are set out below.

Mind Leaders Learning India Private Limited (“Mind Leaders”)

Mind Leader Learning India Private Limited was incorporated under the Companies Act 2013 on February 7, 2017, as a private limited company. A fresh certificate of incorporation dated April 6, 2017 was issued by the RoC, pursuant to a change in its name to Mind Leaders Learning India Private Limited. Its CIN is U80904DL2017PTC312452 and its registered office is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110 037. Mind Leaders is currently engaged in the business of imparting vocational training and education.

The authorized share capital of Mind Leaders is ₹ 1,000,000 divided into 1,000,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 930,000 divided into 930,000 equity shares of ₹ 1 each. Our Company currently holds 36.56% of the issued equity share capital of Mind Leaders with the balance 63.44% being held by Mr. Sanjeev Kaul Duggal. Mind Leaders became our Associate Company with effect from June 6, 2017.

Pelican Facilities Management Private Limited (“Pelican”)

Pelican was incorporated under the Companies Act 1956 on October 14, 2009, as a private limited company. Its CIN is U74140DL2009PTC195209 and its registered office is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110 037. Pelican is currently engaged in the business of providing facilities management related services.

The authorized share capital of Pelican is ₹ 200,000 divided into 200,000 equity shares of ₹ 1 each and its paid-up share capital is ₹ 100,000 divided into 100,000 equity shares of ₹ 1 each. Mind Leaders (directly and through its nominee, Mr. Sanjeev Kaul Duggal) holds 100% of the issued paid up capital of Pelican. Until June 20, 2017, on which date the entire share capital of Pelican was transferred to Mind Leaders, Pelican was a subsidiary of our Company.

Further, our Subsidiaries Fleur and Celsia are partners of a limited liability partnership, Mezereon Hotels LLP (“**Mezereon**”), pursuant to an agreement dated January 17, 2015. Mezereon was incorporated on December 19, 2014; its LLPIN is AAD-0813 and its registered office is located at Asset No. 6, Aerocity Hospitality District, New Delhi 110 037. While Mezereon is currently not engaged in any business activities, it is authorised under its constitutional documents to

carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes etc. The total capital of Mezereon is ₹ 100,000, of which, 99.99% has been contributed (directly and through its designated partners) by Fleur and the remaining has been contributed by Celsia (directly and through its designated partners).

Confirmations

Common Pursuits of our Subsidiaries and Associate Companies

Other than Grey Fox and Valerian, all our other Subsidiaries are either engaged in, or authorised by their constitutional documents to engage in the business of owning, operating or managing hotels and resorts.

None of our Associate Companies are engaged in the same line of business as our Company.

Listing

None of our Subsidiaries or Associate Companies are listed in India or abroad.

Sale or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

Other than as provided in “***Related Party Transactions***” on page 207, there have been no sales or purchases among our Subsidiaries which in aggregate exceed in value 10% of the total sales or purchases of our Company for Fiscal 2017.

Sale or purchase of shares of our Subsidiaries in the last six months

None of our Promoters, members of our Promoter Group, our Directors and their relatives (as defined under the Companies Act 2013) have sold or purchased equity shares of our Subsidiaries in their personal capacity during the six months preceding the date of this Draft Red Herring Prospectus.

Business Interests

Except as provided in “***Related Party Transactions***” on page 207, none of our Subsidiaries have any business interest in our Company. Additionally, our Company executed a service agreement with our Mind Leaders with effect from May 1, 2017 for availing professional training services for its employees.

Strategic and financial partnerships

Except as disclosed in this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners as on the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have up to 14 Directors. Effective from the date of listing of our Equity Shares pursuant to this Offer, Part B of our Articles of Association shall stand automatically terminated and 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 12 Directors on our Board, comprising two executive Directors, four non-executive Directors and six independent Directors. The Chairman of our Board, Mr. Patanjali Govind Keswani, is an executive Director. Further, we have one woman director 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, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
Mr. Patanjali Govind Keswani <i>Designation:</i> Chairman and Managing Director <i>Address:</i> B-6/17, Safdarjung Enclave New Delhi 110 029, Delhi, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Until March 31, 2018, upon the expiry of which, he will stand re-appointed for a further term of five years i.e., until March 31, 2023 <i>DIN:</i> 00002974	58	<i>Indian Companies</i> 1. Aster Hotels & Resorts Private Limited 2. Buzzard Real Estates Private Limited 3. Carnation Hotels Private Limited 4. Crow Real Estates Private Limited 5. Fleur Hotels Private Limited 6. Garnet Hotels Private Limited 7. HeadStart Institute Private Limited 8. Lemon Tree Hotel Company Private Limited 9. Myna Real Estates Private Limited 10. Oceanus Development Company Private Limited 11. PRN Management Services Private Limited 12. Red Fox Hotel Company Private Limited 13. Salora International Limited 14. Spank Management Services Private Limited 15. Sparrow Buildwell Private Limited 16. Toucan Real Estates Private Limited 17. Unistar Hotels Private Limited 18. Vulture Management Services Private Limited
Mr. Rattan Keswani <i>Designation:</i> Deputy Managing Director <i>Address:</i> 305-C, Laburnum Court Greens, Laburnum Apartment, Sushant Lok, Gurgaon 122 002, Haryana, India <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 05317766	56	<i>Indian companies</i> 1. Carnation Hotels Private Limited 2. Fleur Hotels Private Limited 3. HeadStart Institute Private Limited
Mr. Aditya Madhav Keswani <i>Designation:</i> Non-Executive Director <i>Address:</i> B-6/17, Safdarjung Enclave New Delhi 110 029, Delhi, India <i>Occupation:</i> Freelancing	26	<i>Indian companies</i> 1. Aster Hotels & Resorts Private Limited 2. Buzzard Real Estates Private Limited 3. Crow Real Estates Private Limited 4. Garnet Hotels Private Limited 5. HeadStart Institute Private Limited 6. Myna Real Estates Private Limited 7. Oceanus Development Company Private Limited

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 07208901		8. Pony Tale Hotels Private Limited 9. Prinia Hotels Private Limited 10. PRN Management Services Private Limited 11. Spank Management Services Private Limited 12. Sparrow Buildwell Private Limited 13. Toucan Real Estates Private Limited 14. Vulture Management Services Private Limited
Mr. Ravi Kant Jaipuria <i>Designation:</i> Non-executive Director <i>Address:</i> 7A, Aurangzeb Road, New Delhi 110 011, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 00003668	62	<i>Indian companies</i> 1. Alisha Retail Private Limited 2. Alisha Torrent Closures (India) Private Limited 3. Cryoviva Biotech Private Limited 4. Diagno Labs Private Limited 5. Devyani Food Industries Limited 6. Devyani International Limited 7. Devyani Airport Services (Mumbai) Private Limited 8. Dr. Naresh Trehan and Associates Health Services Private Limited 9. Global Health Private Limited 10. Lineage Healthcare Limited 11. RJ Corp Limited 12. Shabnam Properties Private Limited 13. Varun Beverages Limited <i>Foreign companies</i> 1. Africare Limited 2. Arctic Overseas Pte. Ltd. 3. Cryoviva (Thailand) Ltd. 4. Cryoviva Bangladesh Private Limited 5. Cryoviva International Pte. Ltd. 6. Cryoviva Singapore Pte. Ltd. 7. Devyani International (Nigeria) Limited 8. Devyani International (UK) Private Limited 9. Gurind Accor Private Limited 10. Ole Springs Bottlers Private Limited 11. RV Enterprises Pte. Ltd. 12. Sameer Agriculture & Livestock (Kenya) Ltd. 13. Varun Beverages (Lanka) Private Limited 14. Varun Beverages (Nepal) Private Limited 15. Varun Beverages Morocco SA 16. Varun Food & Beverages (Zambia) Ltd. 17. Varun Infrastructure (Zambia) Ltd. 18. Wellness Holdings Limited
Mr. Niten Malhan <i>Designation:</i> Non-executive Director <i>Address:</i> Flat number 2705, The Imperial, B.B. Nakashe Marg, Behind RTO Tardeo, Mumbai 400 034, India <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Not liable to retire by rotation	46	<i>Indian companies</i> 1. ACB (India) Limited 2. AVTEC Limited 3. Clean Max Enviro Energy Solutions Private Limited 4. D B Power Limited 5. DB Power (Madhya Pradesh) Limited 6. Decore Thermal Power Private Limited 7. Diliigent Power Private Limited 8. Embassy Industrial Parks Private Limited 9. Fleur Hotels Private Limited 10. PRL Developers Private Limited 11. Warburg Pincus India Private Limited

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<i>DIN: 00614624</i>		
Mr. Willem Albertus Hazeleger <i>Designation: Non-executive Director</i> <i>Address: Aigburth Apartment 35B 12 Tregunter Path, Mid-Levels Central, Hong Kong</i> <i>Occupation: Professional</i> <i>Nationality: Dutch</i> <i>Term: Until the date of the next annual general meeting</i> <i>DIN: 07902239</i>	48	Nil
Mr. Gopal Sitaram Jiwaraajka <i>Designation: Independent Director</i> <i>Address: A-15, Asola Homes, Amar Marg, Chattarpur, New Delhi 110 030, India</i> <i>Occupation: Business</i> <i>Nationality: Indian</i> <i>Term: Five years with effect from September 18, 2017.</i> <i>DIN: 00024325</i>	57	<i>Indian companies</i> 1. Associated Electronics Research Foundation 2. Fleur Hotels Private Limited 3. PHD Chamber of Commerce and Industry 4. Manori Properties Private Limited 5. Salora Components Limited 6. Salora International Limited
Ms. Freyan Jamshed Desai <i>Designation: Independent Director</i> <i>Address: B - 6, First Floor, West End, Chanakyapuri, New Delhi 110 021, India</i> <i>Occupation: Legal consultant</i> <i>Nationality: Indian</i> <i>Term: Five years with effect from June 15, 2017</i> <i>DIN: 00965073</i>	55	<i>Indian companies</i> 1. Divitas Capital Advisors Private Limited 2. Expo Leasing Private Limited 3. Falshajam Investment and Finance Company Private Limited 4. Gulmarg Holdings Private Limited 5. Nightingale Hotels Private Limited 6. Ranpharam Investments Private Limited 7. Steri Mould Private Limited 8. Steri Sheets Private Limited 9. Steriplast Private Limited 10. Steriplate Private Limited 11. Tropicana Enterprises Private Limited
Mr. Paramartha Saikia <i>Designation: Independent Director</i> <i>Address: L-151, Park Place, DLF Phase 5, Sector 56, Gurugram 122 011, Haryana, India</i> <i>Occupation: Professional</i> <i>Nationality: Indian</i> <i>Term: Five years with effect from June 15, 2017.</i> <i>DIN: 07145770</i>	55	<i>Indian companies</i> 1. Canary Hotels Private Limited 2. Fleur Hotels Private Limited 3. Hyacinth Hotels Private Limited 4. Inovoa Hotels and Resorts Limited 5. Iora Hotels Private Limited 6. Nightingale Hotels Private Limited 7. Oriole Dr. Fresh Hotels Private Limited
Mr. Pradeep Gupta	62	<i>Indian companies</i> 1. Cyber Astro Limited

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<i>Designation:</i> Independent Director <i>Address:</i> D 74, Panchseel Enclave, New Delhi 110 017, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from June 15, 2017 <i>DIN:</i> 00007520		2. Cyber Media (India) Limited 3. Cyber Media Foundation Limited 4. Cyber Media Research & Services Limited 5. Cyber Media Services Limited 6. Indian Angel Network Services Private Limited 7. Kaleidoscope Entertainment Private Limited 8. IIM Calcutta Innovation Park 9. The Indian Newspaper Society <i>Foreign companies</i> 1. Cyber Media India, LLC
Mr. Arvind Singhania <i>Designation:</i> Independent Director <i>Address:</i> 20 Goshala Road, Satbari, Chattarpur, New Delhi 110 074, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from June 15, 2017 <i>DIN:</i> 00934017	53	<i>Indian companies</i> 1. Acme Investments Limited 2. Ester Industries Limited 3. Fenton Investments Private Limited 4. Rekha Finance and Investment Private Limited
Mr. Ashish Kumar Guha <i>Designation:</i> Independent Director <i>Address:</i> House No. 23, Poorvi Marg, First Floor, Vasant Vihar, New Delhi 110 057, India <i>Occupation:</i> Business <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from June 15, 2017 <i>DIN:</i> 00004364	60	<i>Indian companies</i> 1. Cosmo Films Limited <i>Foreign companies</i> 1. BILT Paper B.V.

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Arrangement or Understanding with Major Shareholders

Apart from (i) Mr. Ravi Kant Jaipuria, nominated by RJ Corp; (ii) Mr. Niten Malhan, nominated by Maplewood; and (iii) Mr. Willem Albertus Hazeleger, nominated by APG, none of our Directors or Key Managerial Personnel have been nominated pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. Further, Mr. Patanjali Govind Keswani has the right to nominate two directors on our Board. For details of the relevant agreements with Maplewood, APG and RJ Corp, see “**History and Certain Corporate Matters**” on page 164.

Brief profiles of our Directors

Mr. Patanjali Govind Keswani, aged 58 years, is the Chairman and Managing Director of our Company. He holds a bachelor’s degree in electrical engineering from the Indian Institute of Technology, New Delhi and a post-graduate diploma degree in management from the Indian Institute of Management, Calcutta. He has been on our Board since 2002 and was last re-appointed with effect from January 1, 2016. Pursuant to the resolution passed by our shareholders on August 8, 2017 on expiry of his current term on March 31, 2018, he will stand re-appointed as the Chairman and Managing Director for a

period of five years with effect from April 1, 2018. Mr. Patanjali Govind Keswani was a Tata Administrative Services Officer and associated with the Taj Group of hotels for a period of 17 years, including as the senior vice-president (special projects). Mr. Patanjali Govind Keswani was also associated with A.T. Kearney Limited, New Delhi as its associated consultant and director. At present, he is also the chairman of the Skill Council for Persons with Disability and a founding member of the Sector Skill Council for the Hospitality, Travel and Tourism industry. He was awarded the Distinguished Alumni Award by the Indian Institute of Technology, New Delhi in 2011 and the Distinguished Alumnus Award by the Indian Institute of Management, Calcutta in 2012. Mr. Patanjali Govind Keswani was inducted into the Federation of Hotel and Restaurant Associations of India Hall of Fame in 2010 and into the 'Hotelier India' Hall of Fame in 2012. He has over 30 years of experience in the hospitality industry.

Mr. Rattan Keswani, aged 56 years, is an executive Director of our Company. He holds a bachelor's degree in commerce from DAV College, Panjab University and a diploma degree in hotel management from Oberoi School of Hotel Management. He has been on our Board since December 12, 2012 and was last re-appointed with effect from January 1, 2017. Prior to joining our Company, Mr. Rattan Keswani acted as the president of the Trident Hotels of the Oberoi Group, where he was engaged for a period 30 years. He has more than 30 years of experience in the hospitality industry.

Mr. Aditya Madhav Keswani, aged 26 years, is a non-executive Director of our Company. He holds a bachelor's degree in arts from the New York University. Post the completion of his education, Mr. Aditya Madhav Keswani has joined our Company as a non-executive Director on our Board on June 17, 2015.

Mr. Ravi Kant Jaipuria aged 62 years, is a non-executive Director nominated by RJ Corp as a Director on our Board. He has completed his higher secondary education from Delhi Public School, Mathura Road, New Delhi, India. Mr. Ravi Kant Jaipuria has been on our Board since December 23, 2003 and was last re-appointed with effect from September 30, 2016. He has an established reputation as an entrepreneur and business leader and is the only Indian to receive PepsiCo's International Bottler of the Year award, which was awarded in 1997. He is a promoter and director of Varun Beverages Limited and RJ Corp and has nearly 30 years of experience the food and beverages industry.

Mr. Niten Malhan, aged 46 years, is a non-executive Director nominated by Maplewood as a Director on our Board. He holds a bachelor's degree in technology (computer science and engineering) from the Indian Institute of Technology, New Delhi and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. Mr. Niten Malhan has been on our Board since July 26, 2006. At present, he is the managing director and co-head of Warburg Pincus India Private Limited. Further, Mr. Niten Malhan acted as an engagement manager with McKinsey & Company and was associated with the Indian Private Equity and Venture Capital Association. He is experienced in the field of private equity and in strategizing business across various industries.

Mr. Willem Albertus Hazeleger, aged 48 years, is a non-executive Director of our Company nominated by APG. He holds an executive master's degree in business administration from the Institut Européen d'Administration des Affaires (INSEAD) and an executive master's degree in business administration from Tsinghua University. Mr. Willem Albertus Hazeleger also has a master's degree in law from University of Utrecht. He has been on our Board since August 9, 2017. Mr. Willem Albertus Hazeleger has been associated with APG Asset Management N.V. since 2009. At present, he serves as the chief executive officer of APG Investments Asia Limited, the Hong Kong subsidiary of APG Asset Management N.V. He has also worked with Linklaters LLP. Mr. Willem Albertus Hazeleger is experienced in investment management.

Mr. Gopal Sitaram Jiwrajka, aged 57 years, is an independent Director of our Company. He holds a bachelor's degree in commerce from the University of Bombay. He has been on our Board since September 9, 2003 and was last re-appointed with effect from September 18, 2017. Mr. Gopal Sitaram Jiwrajka has been serving as a whole-time director of Salora International Limited since 1987 and was appointed as its managing director in 1992. He served as a director on the boards of Panasonic AVC Networks India Company Limited. Mr. Gopal Sitaram Jiwrajka has also been serving as a director on the board of Associated Electronics Research Foundation since 2000. Further, he is a director on the board of PHD Chamber of Commerce and Industry. He has 30 years of experience in the field of manufacturing, marketing and finance.

Ms. Freyan Jamshed Desai, aged 55 years, is an independent Director of our Company. She holds a bachelor's degree in law from the University of Delhi and a master's degree in law from King's College, London. She has been on our Board since June 15, 2017. Prior to joining our Company, Ms. Freyan Jamshed Desai has worked at various law firms, including as a partner in Amarchand & Mangaldas & Suresh A. Shroff & Co. She has worked with Pathak & Associates (formerly an associate firm of Jones Day) for a period of five years. Ms. Freyan Jamshed Desai has also been the general counsel of the Novartis group of companies in India and has assisted the group in its merger and acquisition activities in India. She is experienced in the legal industry.

Mr. Paramartha Saikia, aged 55 years, is an independent Director of our Company. He holds a bachelor's degree in economics from the University of Delhi and a master's degree in arts (economics) from the University of Delhi. He has been on our Board since June 15, 2017. Mr. Paramartha Saikia was the chief executive officer of J. Walter Thomson Sdn. Bhd. in Malaysia, prior to which he was the chief executive officer of Iris Worldwide Integrated Marketing Private Limited. He has also worked with Publicis India where he was the chief executive officer from 2002 to 2007 and with Publicis Dialog and Public Modern where he was the chief executive officer from 2007 to 2009. Further, Mr. Paramartha Saikia had been associated with McCann Erickson India Private Limited as its vice-president and director of account management. He has experience in management, marketing and brand development.

Mr. Pradeep Gupta, aged 62 years, is an independent Director of our Company. He holds a bachelor's degree in technology (electrical engineering) from the Indian Institute of Technology, Delhi and master's degree in management from the Indian Institute of Management, Calcutta. He has been on our Board since June 15, 2017. Mr. Pradeep Gupta was on the board of UTI Asset Management Company Limited and its subsidiary, UTI Capital Private Limited. He is the chairman of the IIT Alumni Trust since August 2012, the sponsors of IvyCap Ventures Trust Funds and is also on the board of the IIM Calcutta Innovation Park. Mr. Pradeep Gupta is also on the board of the Indian Newspaper Society. He promoted Cyber Media (India) Limited in 1982 and has since then been associated with the company. He has been awarded the National Entrepreneurship Award by the Ministry of Skill Development and Entrepreneurship for the year 2016 for being the best mentor. He has 35 years of experience in entrepreneurship and in the media industry.

Mr. Arvind Singhanian, aged 53 years, is an independent Director of our Company. He holds a bachelor's degree in commerce from the University of Kanpur. He has been on our Board since June 15, 2017. Mr. Arvind Singhanian is the promoter of Ester Industries Limited and has been on its board since 1986. At present, he is the chairman and chief executive officer of Ester Industries Limited. He has over 30 years of experience in the fields of production, supply chain, finance and people management.

Mr. Ashish Kumar Guha, aged 60 years, is an independent Director of our Company. He holds a bachelor's degree in economics from the Jadavpur University in Kolkata. He has been on our Board since June 15, 2017. He has worked with Lazard for over seven years and have also been the chief executive officer of Lazard India Limited. Mr. Ashish Guha was associated with Heidelberg Cement as its chief executive officer for nearly eight years. He had previously worked with Ambit Private Limited and rejoined Ambit Private Limited in 2016 and is designated as the Advisor and Chairman, North India. He has experience in investment banking and in the cement industry.

Relationship between Directors

Apart from Mr. Patanjali Govind Keswani who is the father of Mr. Aditya Madhav Keswani, none of our Directors are related to each other.

Terms of Appointment of our Executive Directors

Mr. Patanjali Govind Keswani

Mr. Patanjali Govind Keswani was last reappointed as our Chairman and Managing Director with effect from January 1, 2016. Pursuant to the resolution passed by our Board on July 14, 2017 and our shareholders on August 8, 2017, on expiry of his current term on March 31, 2018, he will stand re-appointed as the Chairman and Managing Director for a period of five years with effect from April 1, 2018.

Until Fiscal 2018, Mr. Patanjali Govind Keswani is entitled to the below mentioned remuneration and perquisites.

Particulars	Remuneration per annum
Basic salary	₹ 16,020,000 per annum
House Rent allowance	The expenditure incurred by our Company on providing unfurnished accommodation subject to a ceiling of 50% of the salary or in case no accommodation is provided by our Company, the house rent allowance paid shall be ₹ 8,010,000 per annum.
Education expense	Reimbursement of education expenses including travel fare, boarding and lodging expenses of one child as per actuals subject to maximum of ₹ 6,500,000 for Fiscals 2016 and 2017 each
Medical reimbursement	Expenses incurred on self and family on actual basis
Gratuity	Half month's salary for each completed year of service

Particulars	Remuneration per annum
Provident fund	As per our Company's scheme or where no such contribution is made, then the amount equivalent to provident fund will be given as part of the salary
Telephone	Provision of two telephones at the residence on actuals
Conveyance	One car (Mercedes or equivalent) with running and maintenance expenses
Club facility	Reimbursement of one club expense up to ₹ 125,000 per annum for Fiscals 2016, 2017 and 2018 each
Driver's salary	As per actuals subject to a maximum of ₹ 240,000 per annum
Electricity	Expenses incurred at the residence on actual basis
Mobile telephone expense	Actual expenses to be paid by our Company

Pursuant to a shareholders' resolution dated August 8, 2017, subject to applicable law, Mr. Patanjali Govind Keswani is entitled to the following remuneration and perquisites with effect from April 1, 2018, for a period of three years.

Particulars	Remuneration per annum
Basic salary	₹ 20,000,000 per annum
House Rent allowance	The expenditure incurred by our Company on providing unfurnished accommodation subject to a ceiling of 50% of the salary or in case no accommodation is provided by our Company, the house rent allowance paid shall be ₹ 10,000,000 per annum.
Medical reimbursement	Expenses incurred on self and family on actual basis
Gratuity	Half month's salary for each completed year of service
Provident fund	As per our Company's scheme or where no such contribution is made, then the amount equivalent to provident fund will be given as part of the salary
Telephone	Provision of two telephones at the residence on actuals
Conveyance	One car (Mercedes or equivalent) with running and maintenance expenses
Club facility	Reimbursement of one club expense up to ₹ 125,000 per annum
Driver's salary	As per actuals subject to a maximum of ₹ 300,000 per annum
Electricity	Expenses incurred at the residence on actual basis
Mobile telephone expense	Actual expenses to be paid by our Company

He received a gross remuneration of ₹ 33.20 million in Fiscal 2017.

Mr. Rattan Keswani

Pursuant to the shareholders' resolutions dated July 30, 2015 and December 19, 2016, Mr. Rattan Keswani is not entitled to receive any remuneration from our Company with effect from April 1, 2016. He is however entitled to receive remuneration, as a whole-time director, from Carnation. For further details, see “- **Remuneration paid or payable from our Subsidiaries and Associate Companies**”. In Fiscal 2017, Mr. Rattan Keswani received an amount of ₹ 2.02 million from our Company, towards variable compensation that was payable to him by our Company, for Fiscal 2016.

Compensation paid to our non-executive and independent directors

Our non- executive and independent Directors were not entitled to receive and were not paid any sitting fee in Fiscal 2017. However, pursuant to the resolution passed by our Board on June 15, 2017, our independent directors are entitled to receive a sitting fee of ₹ 20,000 for attending each meeting of our Board.

Remuneration paid or payable from our Subsidiaries and Associate Companies

Other than Mr. Rattan Keswani, who received remuneration of ₹ 18.71 million in Fiscal 2017, from our Subsidiary, Carnation, no remuneration was paid or was payable to our Directors by any of our Subsidiaries or Associate Companies in Fiscal 2017.

Loans to Directors

No loans that have been availed of by our Directors from our Company are outstanding as on the date of this Draft Red Herring Prospectus.

None of our Directors are related to the sundry debtors of our Company.

Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

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 – Shareholding of our Directors and Key Managerial Personnel in our Company**” on page 109, none of our Directors hold any shares in the Company as on the date of this Draft Red Herring Prospectus.

Shareholding of Directors in Subsidiaries and Associate Companies

Other than as disclosed below in respect of shares held by our Directors in certain Subsidiaries as nominees of our Company or Fleur, as applicable, none of our Directors hold any shares in our Subsidiaries or Associate Companies as on the date of this Draft Red Herring Prospectus.

Name of director	Name of Subsidiary	No. of Equity Shares	% of Equity Share capital
Mr. Rattan Keswani	Begonia*	1	Negligible
	Nightingale*	1	Negligible
	Oriole*	1	0.0005
	Fleur*	1	Negligible
	Inovoa**	1,500	0.01
Mr. Patanjali Govind Keswani	Oriole*	1	0.0005
	Hyacinth**	1	0.00001
	Canary*	1	0.00002
	Inovoa**	2,500	0.01
	Iora**	450	0.001
	Ophrys**	1	0.0004
	Bandhav**	30	0.13
	PSK*	1	0.00001
	Carnation*	1	0.0001

*As a nominee of the Company

** As a nominee of Fleur

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company or in the case of Mr. Rattan Keswani, by Carnation. For further details, see “- **Terms of Appointment of our Executive Directors**”, “- **Compensation Paid to Our Non-Executive and Independent Directors**” and “- **Remuneration paid or payable from Subsidiaries and Associate Companies**” on pages 186, 187 and 187, respectively.

Additionally, pursuant to a resolution of our Board dated August 11, 2017, our Company will transfer 25.10% of the equity shares held by it in Carnation to Mr. Rattan Keswani, at book value or face value, whichever is higher on or prior to March 31, 2019.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives 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. Additionally, the Directors may be interested to the extent of stock options that have been or may be granted to them from time to time under ESOP-2006. For further details regarding the shareholding of our Directors and the ESOP-2006, see “**Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company**” and “**Capital Structure – Employee Stock Option Scheme**” on pages 110 and 95, respectively.

Our non-executive Directors, who have been nominated by Maplewood, RJ Corp and APG, may be deemed to be interested to the extent of the shareholding in our Company of the entities nominating them.

Further, our Directors are not interested in any property acquired by our Company or its Subsidiaries within two years of the date of this Draft Red Herring Prospectus, or presently intended to be acquired by it, except as provided below.

Pursuant to a resolution of our Board dated March 29, 2017 and a resolution dated May 19, 2017 passed by our Shareholders, our Company has entered into a sale deed dated June 30, 2017 with Toucan, our Group Company and an entity forming party of our Promoter Group in which Mr. Patanjali Govind Keswani and Mr. Aditya Madhav Keswani are interested as a directors and shareholders, for the purpose of acquiring a portion of a commercial complex located at Sector 60, Village Ulhawas, Sohna, Gurgaon, India from Toucan, for a total consideration of ₹ 182.71 million.

Pursuant to a resolution passed by Fleur's board of directors dated February 25, 2015 and a resolution of Fleur's shareholders dated February 26, 2015, Fleur has entered into a sale deed dated January 4, 2017, for the purpose of acquiring a hotel space in the commercial area located at Sector 60, Village Ulhawas, Sohna, Gurgaon, India from Toucan for a total consideration of ₹ 562.48 million. Additionally, pursuant to resolutions passed by Fleur's board of directors and shareholders dated January 9, 2017 and January 11, 2017, respectively, Fleur has entered into a second sale deed January 19, 2017 with Toucan, for the purpose of acquiring further hotel space and a portion of the commercial complex for a total consideration of ₹ 681.16 million.

Except Mr. Patanjali Govind Keswani, who is a Promoter of our Company, our Directors have no interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

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 any listed company whose shares have been/were suspended from being traded on BSE or NSE.

Except as disclosed below in respect of one of our non-executive directors, Mr. Niten Malhan, none of our Directors has been or is a director on the board of any listed companies which have been or were delisted from any stock exchange(s).

S. No.	Particulars	Details
1.	Name of the company	Sintex Industries Limited
2.	Name of the stock exchange(s) on which the company was listed	Ahmedabad Stock Exchange Limited ("ASEL")
3.	Date of delisting on stock exchanges	August 26, 2013
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary delisting
5.	Reasons for delisting	Trading Platform of ASEL not being functional. The company continues to be listed on BSE and NSE.
6.	Whether the company has been relisted	No for ASEL. The company is listed on BSE and NSE.
7.	Date of relisting, in the event the company is relisting	Not Applicable
8.	Name of the stock exchange(s) on which the company was relisted	Not Applicable
9.	Term (along with relevant dates) in the above company	November 30, 2006 to November 30, 2007

None of our Directors are associated with the securities market.

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
Mr. Gopal Sitaram Jiwrajka	September 18, 2014	Appointed as an independent Director*
Mr. Sanjeev Kaul Duggal	September 18, 2014	Appointed as independent Director*
Ms. Sharanita Keswani	February 19, 2015	Cessation as a non-executive Director
Mr. Rahul Pandit	May 8, 2015	Cessation as an executive Director

Name of Director	Date of Change	Reasons
Mr. Ravi Dubey	May 11, 2015	Cessation as a non-executive Director
Mr. Nakul Arun Jagjivan	May 18, 2015	Cessation as a non-executive Director
Ms. Ila Dubey	June 17, 2015	Appointed as a non-executive Director**
Mr. Aditya Madhav Keswani	June 17, 2015	Appointed as a non-executive Director**
Mr. Sanjeev Kaul Duggal	April 1, 2017	Resignation as an independent Director
Ms. Ila Dubey	May 31, 2017	Cessation as a non-executive Director
Mr. Pradeep Gupta	June 15, 2017	Appointed as an independent Director***
Mr. Arvind Singhania	June 15, 2017	Appointed as an independent Director***
Mr. Ashish Kumar Guha	June 15, 2017	Appointed as an independent Director***
Mr. Paramartha Saikia	June 15, 2017	Appointed as an independent Director***
Ms. Freyan Jamshed Desai	June 15, 2017	Appointed as an independent Director***
Mr. Sachin Doshi	August 1, 2017	Cessation as a non-executive Director
Mr. Willem Albertus Hazeleger	August 9, 2017	Appointed as a non-executive Director

* Regularised pursuant to a resolution passed by the shareholders on January 30, 2015

** Regularised pursuant to a resolution passed by the shareholders on July 30, 2015.

*** Regularised pursuant to a resolution passed by the shareholders on August 8, 2017.

Appointment of relatives to a place of profit

None of the relatives of the Directors have been appointed to an office or place of profit in our Company.

Borrowing Powers

Pursuant to our Articles of Association, subject to applicable laws and pursuant to a resolution dated July 24, 2014, passed by our shareholders, our Board has been authorised to borrow sums in excess of the aggregate of our paid-up share capital and free reserves, up to ₹ 6,500 million.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, we have 12 Directors on our Board, comprising two executive Directors, four non-executive Directors and six independent Directors. The Chairman of our Board, Mr. Patanjali Govind Keswani, is an executive Director. Further, we have one woman director on our Board. Additionally, Mr. Gopal Sitaram Jiwarajka, one of our independent Directors, has been appointed as an independent director on the board of our Company's material subsidiary, Fleur, pursuant to a resolution passed by the shareholders of Fleur on January 15, 2015. 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 Board committees in terms of the SEBI Listing Regulations, and the Companies Act 2013:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee; and
- (d) Corporate Social Responsibility Committee.

Audit Committee

Our Audit Committee was constituted by a resolution of our Board dated August 29, 2012 and was last reconstituted by a resolution of our Board dated June 15, 2017. The Audit Committee currently consists of:

1. Mr. Gopal Sitaram Jiwarajka – *Chairman*
2. Mr. Niten Malhan – *Member*
3. Mr. Ashish Kumar Guha – *Member*

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:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

- (a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (c) Approving 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
 - Qualifications in the draft audit report.
- (e) Reviewing the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies).
- (f) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (g) 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.
- (h) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (i) 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 Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act 2013.

- (j) Scrutiny of inter-corporate loans and investments.
- (k) Valuation of undertakings or assets of the listed entity, wherever it is necessary.
- (l) Evaluation of internal financial controls and risk management systems.
- (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (n) 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.
- (o) Discussing with internal auditors of any significant findings and follow up there on.
- (p) 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.
- (q) 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.

- (r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (s) Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
- (t) To review the functioning of the whistle blower mechanism.
- (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) Oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns in appropriate and exceptional cases.
- (w) Mandatorily review the following
 - management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;
 - internal audit reports relating to internal control weaknesses;
 - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
 - statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations.
- (x) Any other matter as may be prescribed, from time to time, to be referred to the Audit Committee in terms of the Companies Act 2013/ SEBI Listing Regulations and the applicable rules, regulations thereto.”

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted by a resolution of our Board dated August 29, 2012 and was last reconstituted on by a resolution of the Board dated June 15, 2017. The Nomination and Remuneration Committee currently consists of:

1. Mr. Pradeep Gupta - *Chairman*
2. Mr. Gopal Sitaram Jiwarjaka - *Member*
3. Mr. Niten Malhan - *Member*
4. Mr. Patanjali Govind Keswani - *Member*

The Company Secretary shall act as the secretary to the Nomination and Remuneration Committee.

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 recommending 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 diversity of the Board.
- (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 recommending to the Board their appointment and removal.
- (e) Extension or continuance of the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

- (f) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors).
- (g) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated March 17, 2016 and was further re-constituted by a resolution of our Board dated June 15, 2017. The Stakeholders' Relationship Committee currently consists of:

- 1. Mr. Gopal Sitaram Jiwarajka - *Chairman*
- 2. Mr. Patanjali Govind Keswani - *Member*
- 3. Mr. Rattan Keswani - *Member*
- 4. Ms. Freyan Jamshed Desai - *Member*

The Company Secretary shall act as the secretary to the Stakeholders' Relationship Committee.

Scope and terms of reference: the terms of reference of the Stakeholders Relationship Committee shall include the following:

- (a) Monitoring the grievance and redressal of all security holders' grievances such as complaints related to non-receipt of allotment/refund, review of cases for refusal of transfer/transmission of shares, including non receipt of share certificates, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints.
- (b) Alloting of equity shares, giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, splitting and issuing of duplicate/consolidated share certificates, complying with all the requirements related to shares, debentures and other securities from time to time.
- (c) Reviewing statutory compliances pertaining to share / security capital, processes, shareholders and depositories (NSDL/CDSL).
- (d) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.
- (e) Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted by a resolution of the Board dated March 20, 2014 and was last re-constituted on June 15, 2017 and is in compliance with Section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee currently consists of:

- 1. Mr. Gopal Sitaram Jiwarajka - *Chairman*
- 2. Mr. Patanjali Govind Keswani - *Member*
- 3. Mr. Pradeep Gupta - *Member*
- 4. Mr. Rattan Keswani - *Member*

Scope and terms of reference: the terms of reference of the Corporate Social Responsibility Committee shall include the following:

- (a) To 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 and make any revisions therein as and when decided by the Board.
- (b) To recommend the amount of expenditure to be incurred on the activities referred to in (a).
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- (d) To do such other acts, deeds and things as may be required to comply with the applicable laws.

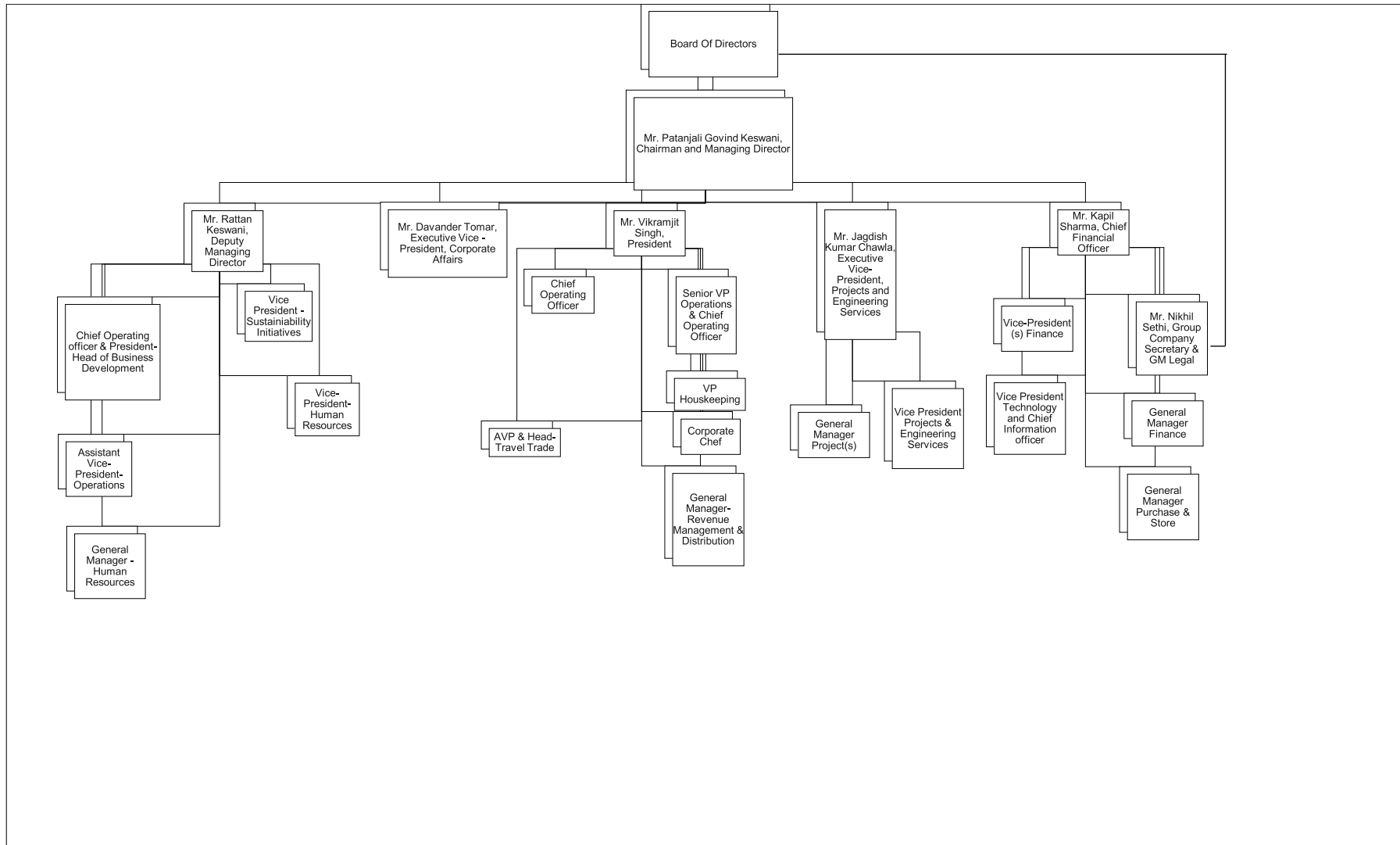
- (e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

IPO Committee

Our IPO Committee was constituted by a resolution of the Board dated March 17, 2016. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time. The IPO Committee currently consists of:

1. Mr. Patanjali Govind Keswani - *Chairman*
2. Mr. Niten Malhan - *Member*
3. Mr. Gopal Sitaram Jiwarajka - *Member*

Management Organisation Chart



Key Managerial Personnel

In addition to Mr. Patanjali Govind Keswani, our Chairman and Managing Director and Mr. Rattan Keswani, our Deputy Managing Director, whose details are provided in “*Brief Profiles of our Directors*” on page 184, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Mr. Vikramjit Singh

Mr. Vikramjit Singh, aged 41 years is the president of our Company. He holds a bachelor’s degree in commerce from the University of Delhi and a post-graduate diploma degree in hotel management and administration from the Taj Group of Hotels. He was appointed as our chief sales officer with effect from May 21, 2014. Prior to this, he was an entrepreneur. He has 21 years of experience in the hospitality industry. In Fiscal 2017, he received gross remuneration of ₹ 6.57 million.

Mr. Davander Tomar

Mr. Davander Tomar, aged 56 years is our executive vice-president, corporate affairs. He holds a bachelor’s degree in commerce from the University of Delhi; a bachelor’s degree in law from the University of Delhi; and also a master’s degree in arts from the University of Delhi. He was appointed as the vice-president, security and administration with effect from September 25, 2002. He has previously also worked with Taj Group of Hotels as the security manager of Taj Palace Hotel, New Delhi for a period of 18 years. He has over 30 years of experience in the hospitality industry. In Fiscal 2017, he received gross remuneration of ₹ 5.68 million.

Mr. Kapil Sharma

Mr. Kapil Sharma, aged 48 years is our Chief Financial Officer. He holds a bachelor’s degree in commerce from the University of Delhi. Mr. Kapil Sharma is a qualified chartered accountant. He was appointed as the deputy general manager (finance) with effect from December 1, 2004 and was designated as the Chief Financial Officer with effect from September 18, 2014. Prior to this, he was with Leroy Somer & Controls India Private Limited as the head of finance and accounts and managed the finance and accounts division with commercial responsibilities. He has previously also worked with AFL Limited as its assistant manager (finance) and with Onida Finance Limited as its manager. He has more than 22 years of experience in the field of finance. In Fiscal 2017, he received gross remuneration of ₹ 6.53 million.

Mr. Jagdish Kumar Chawla

Mr. Jagdish Kumar Chawla, aged 60 years is our executive vice president- projects and engineering services and is the chief executive officer in Grey Fox. He holds a diploma degree in electrical engineering from Pusa Polytechnic, Pusa, New Delhi. He was appointed as the vice- president – projects and engineering with effect from November 1, 2002. Prior to this, he was with the Taj Group of Hotels for 20 years. He has previously also worked with the National Thermal Power Corporation, Bharti Electric Steel Company Limited and Mother Dairy while holding various positions. Mr. Jagdish Kumar Chawla has more than 40 years of experience in the field of engineering, constructions and operations. In Fiscal 2017, he received gross remuneration of ₹ 11.20 million.

Mr. Nikhil Sethi

Mr. Nikhil Sethi, aged 37 years is our Group Company Secretary & General Manager – Legal and Compliance Officer. He holds a bachelor’s degree in commerce from the University of Delhi and a bachelor’s degree in law from the University of Delhi. Mr. Nikhil Sethi is a qualified Company Secretary. Mr. Nikhil Sethi joined our Company on October 1, 2016 as our Group Company Secretary & General Manager – Legal and was appointed as the Company Secretary pursuant to a resolution passed by our Board on December 12, 2016. He has also been designated as the Compliance Officer of our Company with effect from June 15, 2017. Prior to this, he was associated with Punj Lloyd Limited for a year, as its additional general manager. He has previously worked with Asian Hotels (West) Limited as its company secretary from May 2008 until September 2015 and with Mayur Batra & Company and Vishakha Infotech Limited. In Fiscal 2017, he received gross remuneration of ₹ 0.88 million.

Except Mr. Jagdish Kumar Chawla, who is on the pay roll of Grey Fox and Mr. Rattan Keswani, who is on the pay roll of Carnation, 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 bonus payments to Key Managerial Personnel in accordance with their terms of appointment.

Shareholding of Key Managerial Personnel

Other than as provided under “*Capital Structure – Shareholding 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

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel is entitled to any benefit upon termination of such officer’s employment or superannuation pursuant to any service contracts executed with our Company.

Loans to and deposits from Key Managerial Personnel

Except for ₹ 2.80 million owed by Mr. Jagdish Kumar Chawla to our Subsidiary, Grey Fox, and ₹ 6.30 million owed by Mr. Davander Tomar to our Company as on the date of this Draft Red Herring Prospectus, there are no outstanding loans availed by our Key Managerial Personnel from our Company. However, certain of our Key Managerial Personnel have availed loans from the Krizm Hotels Private Limited Employees Welfare Trust for the purpose of purchasing employee stock options. For further details, see “*Capital Structure – ESOP - 2006*” on page 96.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business in the capacity of Key Managerial Personnel of our Company as well as directors on the boards of certain of our Subsidiaries and stock options that have been or may be granted to them from time to time under ESOP-2006. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, as applicable, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives 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. Further, for details of interests of our Managing Director, who is also our Promoter, see “*Our Promoters, Promoter Group and Group Companies*” on page 199.

Additionally, our executive vice president- projects and engineering services, Mr. Jagdish Kumar Chawla received remuneration of ₹ 11.20 million from Grey Fox as its chief executive officer.

For further details regarding the stock options held by our Key Managerial Personnel, as applicable, see “*Capital Structure – Employee Stock Option Scheme*” on page 95.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

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, except that our Chairman and Managing Director, Mr. Patanjali Govind Keswani, is entitled to nominate two directors on our Board.

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
Mr. Kapil Sharma	September 18, 2014	Appointed as Chief Financial Officer
Ms. Suman Singh	June 30, 2016	Resigned as Company Secretary
Mr. Nikhil Sethi	December 12, 2016	Appointed as Company Secretary

Employee stock option and stock purchase schemes

For details of the employee stock option plan of our Company, ESOP-2006, see “***Capital Structure- Employee Stock Option Scheme***” on page 95.

Payment of non-salary related benefits to officers of our Company

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.

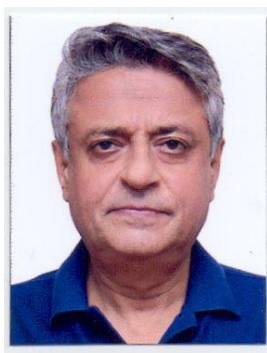
OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The Promoters of our Company are Mr. Patanjali Govind Keswani and SMSPL. As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 184,784,311 Equity Shares which constitutes 23.49% of our Company's pre-Offer paid-up Equity Share capital. Further, upon completion of the Proposed Amalgamation, our Promoters will hold, in aggregate, 220,169,013 Equity Shares constituting 28% of our pre-Offer Equity Share capital. For details of the build-up of our Promoters' shareholding in our Company, see "**Capital Structure – Notes to Capital Structure**" on page 72.

I. Details of our Promoters

Details of our Individual Promoter

Mr. Patanjali Govind Keswani



Mr. Patanjali Govind Keswani aged 58 years, is our Promoter and Chairman and Managing Director.

Residential Address: B-6/17, Safdarjung Enclave, New Delhi 110029, Delhi, India

Driving license number: DL-1219930016320

Voter identification number: NA

For more information, see "**Our Management**" on page 181.

We confirm that Mr. Patanjali Govind Keswani's PAN, passport number and bank account numbers will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with them.

Details of our Corporate Promoter

Spank Management Services Private Limited

SMSPL was incorporated on November 5, 2004 under the Companies Act 1956 with the RoC. SMSPL is primarily engaged in the business of designing, managing, supervising and executing hotel projects and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Its CIN is U74140DL2004PTC130400.

Our individual Promoter, Mr. Patanjali Govind Keswani is the natural person in control of SMSPL. There has been no change in the control or management of SMSPL during the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of SMSPL are not listed on any stock exchange in India or abroad.

Shareholding Pattern

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

Name of the Shareholder	Number of Shares	% of Shareholding
Mr. Patanjali Govind Keswani	354,000	90.77
Mr. Aditya Madhav Keswani	36,000	9.23
Total	390,000	100.00

Board of Directors

As on the date of this Draft Red Herring Prospectus, Mr. Patanjali Govind Keswani and Mr. Aditya Madhav Keswani are the directors on the board of directors of SMSPL.

Financial Information

Set forth below are the financial results of SMSPL for Fiscals 2016, 2015 and 2014, derived from audited financial statements.

(in ₹)

Particulars	As on		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity capital	390,000	390,000	390,000
Reserves and surplus	389,244,121	265,862,288	167,316,232
Total Income	195,552,096	213,489,606	45,018,064
Profit/(Loss) after tax	123,381,833	98,546,056	(126,343,767)
Earnings per share (₹) (Basic /Diluted)	316.36	252.68	(323.96)
Net asset value per share (₹)*	999.06	682.70	430.02

*Net asset value per share = Net worth/number of shares as at year end

We confirm that the PAN, bank account numbers, and company registration number of SMSPL, and the address of the registrar of companies where SMSPL is registered will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with them.

Interests of our Promoters and Related Party Transactions

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholdings in our Company and dividend or other distributions payable, if any, by our Company. For further details of our Promoters' shareholding, see "**Capital Structure – Notes to Capital Structure**" on page 72. Additionally, Mr. Patanjali Govind Keswani is also interested in our Company as our Chairman and Managing Director and the remuneration payable to him in such capacity. "For details, see "**Our Management – Terms of Appointment of Executive Directors**" on page 186.

Except as provided under "**Management – Interest of Directors**" on page 188, our Promoters do not have any interest in any property acquired by our Company during the two years preceding the date of filing of this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Except as set forth below, our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Company had entered into an agreement dated July 25, 2014 with SMSPL, pursuant to which SMSPL provided certain services to our Company including planning, supervising and managing services pertaining to hotel projects undertaken by our Company directly or through any of our Subsidiaries ("**Company SMSPL Agreement**"). The Company SMSPL Agreement was terminated with effect from September 1, 2017. For details of the amount paid to SMSPL by our Company in the last five fiscals under the Company SMSPL Agreement, see "**Related Party Transactions**" on page 207. Further, our Subsidiary, Meringue had entered into a project management services agreement dated April 11, 2007 with SMSPL, pursuant to which SMSPL provided project management services relating to design, development, supervising and managing in relation to hotel projects of Meringue ("**Meringue SMSPL Agreement**" and together with the "**Company SMSPL Agreement**", the "**SMSPL Management Agreements**"). The Meringue SMSPL Agreement was terminated with effect from September 1, 2017. Under the Company SMSPL Agreement and the Meringue SMSPL Agreement, SMSPL was entitled to receive a fee equal to 3.75% and 6.25%, respectively, of the total project cost. The total project cost was defined under the Company SMSPL Agreement to include all expenses incurred until the relevant project became operational, excluding the cost of acquisition of land for the project and indirect expenses capitalized in the total project cost. The total project cost under the Meringue SMSPL Agreement was defined to include cost of land and all expenses incurred until the relevant project became operational but excludes cost of non-project related expenses capitalized in the total project cost. For details of the amounts paid by us to SMSPL in the last five Fiscals, see "**Related Party Transactions**" on page 207.

Except as disclosed above, no amount or benefit has been paid or given to any Promoter or any member of the Promoter Group 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.

For further details in relation to the interest of our Promoters, see “**Related Party Transactions**” on page 207.

Confirmations

There is no litigation or legal action pending or taken by any department of the Government or statutory authority during the last five years preceding the date of the Draft Red Herring Prospectus against our Promoters.

None of our Promoters are related to the sundry debtors of our Company.

Our Promoters and members of our Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authorities from accessing the capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority.

Common Pursuits of our Promoters, members of Promoter Group and Group Companies

Garnet, Toucan and Pony Tale, our Group Companies (which also form part of our Promoter Group), and Aster, Unistar Hotels Private Limited, Myna Real Estates Private Limited, Buzzard Real Estates Private Limited, Oceanus Development Company Private Limited, Crow Real Estates Private Limited and Prinia, companies forming part of our Promoter Group, are authorised under their respective memorandums of association to carry on the business of owning, operating or managing hotels and resorts.

Except as disclosed above, our Promoters, members of our Promoter Group and other Group Companies are not involved in any other venture which is in the same line of activity or business as us.

Disassociation by our Promoters in the preceding three years

Our Promoters have not disassociated themselves from any venture during the three years preceding the date of this Draft Red Herring Prospectus.

II. Promoter Group

Set forth below is a list of the members forming part of our Promoter Group, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of member of the Promoter Group
1.	Ms. Lillette Dubey (sister of Mr. Patanjali Govind Keswani)
2.	Ms. Ila Dubey (sister of Mr. Patanjali Govind Keswani)
3.	Ms. Nayana Keswani (daughter of Mr. Patanjali Govind Keswani)
4.	Mr. Aditya Madhav Keswani (son of Mr. Patanjali Govind Keswani)
5.	Aster Hotels & Resorts Private Limited*
6.	Buzzard Real Estates Private Limited
7.	Capital Infracon Private Limited
8.	Crow Real Estates Private Limited
9.	Garnet Hotels Private Limited
10.	HeadStart Institute Private Limited*
11.	Myna Real Estates Private Limited
12.	Oceanus Development Company Private Limited
13.	Pony Tale Hotels Private Limited
14.	Prinia Hotels Private Limited
15.	PRN Management Services Private Limited*
16.	Sparrow Buildwell Private Limited
17.	Toucan Real Estates Private Limited

S. No.	Name of member of the Promoter Group
18.	Unistar Hotels Private Limited
19.	Vulture Management Services Private Limited

**Our Company along with HeadStart, Aster and PRN have filed a petition dated August 3, 2017 (C.A./CAA-101(PB)/2017) before the NCLT for the approval of the Proposed Amalgamation. Upon the scheme of amalgamation becoming effective, the aforementioned Promoter Group Companies will amalgamate with our Company and will stand dissolved.*

For details of the shareholding of the members of our Promoter Group in our Company and various confirmations in relation to the members of our Promoter Group, see “**Capital Structure – Shareholding of our Promoters and our Promoter Group**” and “**Other Regulatory and Statutory Disclosures**” on pages 105 and 257, respectively.

III. Group Companies

As per the SEBI ICDR Regulations for the purpose of identification of group companies, our Company has considered companies covered under the applicable accounting standard as per the Restated Consolidated Financial Statements as of and for the Fiscals ended March 31, 2017, 2016, 2015, 2014 and 2013 (except such companies with which the related party relationship has ceased to exist on or prior to March 31, 2017, as reflected in the Restated Consolidated Financial Statements), and other companies as per the Materiality Policy adopted by our Board of directors through its resolution dated August 11, 2017. For the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a Group Company if it: (i) is a member of the Promoter Group and has entered into one or more transactions with the Company in the most recent audited Fiscal which, individually or in the aggregate, exceed 10% of the total restated consolidated revenue of the Company for such Fiscal; and (ii) companies which, subsequent to the date of the latest restated consolidated financial statements of the Company disclosed in the Offer Documents, would require disclosure in the consolidated financial statements of the Company for subsequent periods as entities covered under Ind AS 24 in addition to/ other than those companies covered under Ind AS 24 in the latest restated consolidated financial statements of the Company included in the Offer Documents.

As on the date of this Draft Red Herring Prospectus, our Group Companies comprise:

1. Garnet Hotels Private Limited;
2. HeadStart Institute Private Limited;
3. Pony Tale Hotels Private Limited;
4. Sparrow Buildwell Private Limited; and
5. Toucan Real Estates Private Limited.

Set out below are details of our Group Companies:

Garnet Hotels Private Limited (“Garnet”)

Garnet is a private limited company which was incorporated under the Companies Act 1956 on July 4, 2008. Its CIN is U55101DL2008PTC180471 and its registered office is located at B-6/17, Safdarjung Enclave New Delhi 110 029, India. While Garnet is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes etc.

Financial Information

(In ₹)			
Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Equity share capital	100,000	100,000	100,000
Reserves and surplus	(198,831)	(156,006)	(136,936)
Revenue from operations	-	-	-
Profit/(Loss) for the year	(42,825)	(19,070)	4,564
Earnings/(loss) per share (Basic)	(0.43)	(0.19)	0.05
Earnings/(loss) per share (Diluted)	(0.43)	(0.19)	0.05
Net asset value per share*	(0.98)	(0.56)	(0.37)

**Net asset value per share = Net worth/number of shares as at year end*

Significant notes of auditors

There are no significant notes of the auditors in relation to the aforementioned financial statements.

HeadStart Institute Private Limited

HeadStart is a private limited company which was incorporated under the Companies Act 1956 on July 22, 2011. Its CIN is U80904DL2011PTC222680 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. HeadStart was engaged in the business of imparting vocational training and education. However, HeadStart is currently not engaged in any business.

Prior to the Offer, i.e., upon completion of the Proposed Amalgamation, HeadStart will be amalgamated with our Company and stand dissolved.

Financial Information

(In ₹)			
Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Equity share capital	16,016,000	15,976,000	776,000
Reserves and surplus	142,731,110	142,939,592	3,497,909
Revenue from operations	-	6,520,609	26,984,777
Profit/(Loss) for the year	(568,482)	2,641,683	78,787
Earnings/(loss) per share (Basic)	(0.04)	1.56	0.10
Earnings/(loss) per share (Diluted)	(0.04)	1.56	0.10
Net asset value per share *	9.91	9.95	5.51

*Net asset value per share = Net worth/number of shares as at year end

Significant notes of auditors

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Pony Tale Hotels Private Limited (“Pony Tale”)

Pony Tale is a private limited company which was incorporated under the Companies Act 1956 on July 19, 2007. Its CIN is U55101DL2007PTC166019 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. While Pony Tale is currently not engaged in any business activities, it is authorised under its constitutional documents to carry on the business of hotels, motels, resorts, time sharing holiday resorts, cafes, etc.

Financial Information

(In ₹)			
Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Equity share capital	100,000	100,000	100,000
Reserves and surplus	(136,328)	(107,625)	(83,402)
Revenue from operations	-	-	-
Profit/(Loss) for the year	(28,703)	(24,223)	(12,769)
Earnings/(loss) per share (Basic)	(0.29)	(0.24)	(0.13)
Earnings/(loss) per share (Diluted)	(0.29)	(0.24)	(0.13)
Net asset value per share *	(0.36)	(0.08)	0.17

*Net asset value per share = Net worth/number of shares as at year end

Significant notes of auditors

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Sparrow Buildwell Private Limited (“Sparrow”)

Sparrow is a private limited company which was incorporated under the Companies Act 1956 on September 28, 2007. Its CIN is U74120DL2007PTC168778 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Sparrow is currently not engaged in any business, however it is authorised to carry on the business of real estate, hotels, motels, resorts, cafes etc.

Financial Information

(In ₹)

Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Equity share capital	2,276,875	2,276,875	2,276,875
Reserves and surplus	190,012,881	190,032,361	190,052,467
Revenue from operations	-	-	-
Profit/(Loss) for the year	(19,480)	(20,106)	(19,229)
Earnings/(loss) per share (Basic)	(0.01)	(0.01)	(0.01)
Earnings/(loss) per share (Diluted)	(0.01)	(0.01)	(0.01)
Net asset value per share *	84.45	84.46	84.47

*Net asset value per share = Net worth/number of shares as at year end

Significant notes of auditors

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Toucan Real Estates Private Limited (“Toucan”)

Toucan is a private limited company which was incorporated under the Companies Act 1956 on December 20, 2006. Its CIN is U45200DL2006PTC156838 and its registered office is located at B-6/17, Safdarjung Enclave, New Delhi 110 029, India. Toucan is currently engaged in the real estate business.

Financial Information

(In ₹)

Particulars	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
Equity share capital	100,000	100,000	100,000
Reserves and surplus	12,093,304	11,379,133	10,391,709
Revenue from operations	187,181,589	1,009,269,442	-
Profit/(Loss) for the year	714,171	987,424	162,124
Earnings/(loss) per share (Basic)	7.14	9.87	1.62
Earnings/(loss) per share (Diluted)	7.14	9.87	1.62
Net asset value per share *	121.93	114.79	104.92

*Net asset value per share = Net worth/number of shares as at year end

Significant notes of auditors

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Interest of our Promoters in Group Companies

Our Promoters are interested in our Group Companies to the extent of their respective shareholdings in our Group Companies, as applicable, and dividend or other distributions payable, if any, by such Group Companies. Additionally, Mr. Patanjali Govind Keswani is also interested in Toucan, Garnet, HeadStart and Sparrow as a director on the board of directors of such Group Companies.

Details of negative net worth and loss-making Group Companies

Our Group Companies, Garnet and Pony Tale, had a negative networth of ₹ 0.10 million and ₹ 0.04 million in Fiscal 2016.

Our Group Companies, Sparrow, Garnett, HeadStart and Pony Tale, have incurred a loss in the preceding audited Fiscal.

Details of Group Companies under winding up

As on the date of this Draft Red Herring Prospectus, none of our Group Companies are under winding up.

Payment of Benefits

Except as stated above in “- **Interest of our Promoters**” and “**Related Party Transactions**” on pages 204 and 207, there has been no payment of benefits to our Promoters and Group Companies, during Fiscals 2017, 2016, 2015, nor is any benefit proposed to be paid to them as on the date of this Prospectus.

Confirmations and Disclosures by our Group Companies

As on the date of this Draft Red Herring Prospectus, none of our Group Companies has any interest in the promotion or formation of our Company. However, our Group Company, Headstart holds 7,367,360 Equity Shares in our Company.

Further, as on the date of this Draft Red Herring Prospectus:

- a) Except as provided below, none of our Group Companies have any business interest in our Company including an interest in any property acquired by our Company within the two years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it, or any interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery, etc.

Pursuant to a resolution of our Board dated March 29, 2017 and a resolution dated May 19, 2017 passed by our Shareholders, our Company has entered into a sale deed dated June 30, 2017 with Toucan, for the purpose of acquiring a portion of commercial complex located at Sector 60, Village Ulhawas, Sohna, Gurgaon, India from Toucan, for a total consideration of ₹ 182.71 million. Further, pursuant to a resolution passed by Fleur’s board of directors dated February 25, 2015 and a resolution of Fleur’s shareholders dated February 26, 2015, Fleur has entered into a sale deed dated January 4, 2017, for the purpose of acquiring a hotel space in the commercial area located at Sector 60, Village Ulhawas, Sohna, Gurgaon, India from Toucan for a total consideration of ₹ 562.48 million. Additionally, pursuant to resolutions passed by Fleur’s board of directors and shareholders dated January 9, 2017 and January 11, 2017, respectively, Fleur has entered into a second sale deed January 19, 2017 with Toucan, for the purpose of acquiring further hotel space and a portion of the commercial complex for a total consideration of ₹ 681.16 million.

- b) Further, except as set forth in “**Related Party Transactions**” on page 207, our Company does not have any sales or purchase transactions with our Group Companies exceeding, in the aggregate, 10% of the total sales or purchases of our Company, as per our restated unconsolidated financial statements for Fiscal 2017. For more information on business transactions with our Group Companies and their significance on our financial performance, see “**Related Party Transactions**” on page 207.

Related Party Transactions

Except as provided in “**Related Party Transactions**” on page 207, no related party transactions have been entered into between our Group Companies and our Company, as on the date of our latest Restated Financial Statements included in this Draft Red Herring Prospectus.

Sick or Defunct Companies

None of our Group Companies is sick or defunct, under the Sick Industrial Companies (Special Provisions) Act, 1985 and Companies Act respectively. Further, as on the date of this Draft Red Herring Prospectus, no winding up or revocation proceedings or actions have been initiated against any of our Group Companies.

No application has been made to the RoC for striking off the name of any of our Group Companies during the preceding five years. However, prior to the Offer, i.e., upon completion of the Proposed Amalgamation, the entire undertakings of HeadStart, our Group Company and a member of our Promoter Group along with PRN and Aster, members of our Promoter Group will be transferred to our Company as a going concern and such transferee companies will stand dissolved.

Other confirmations/disclosures

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations and there are no violations of securities laws committed by any of them in the past and no proceedings for violation of securities laws are pending against them.

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have been prohibited by the SEBI or any other regulatory or governmental authorities from accessing the capital markets for any reasons.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2017, 2016, 2015, 2014 and 2013, as per the requirements under Ind AS 24 “Related Party Disclosures”, see “***Financial Statements – Annexure V - Notes to restated standalone financial information –34.***” on page F-72 and “***Financial Statements – Annexure V - Notes to restated consolidated financial information –36.***” on page F-198

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 provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and will depend on a number of factors, including but not limited to our 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 others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

Our Company has not declared any dividends during the last five Fiscals.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

Particulars	Page Nos.
Restated Unconsolidated Financial Statements	F-1 to F-114
Restated Consolidated Financial Statements	F-115 to F-235

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Auditors' Report on the restated standalone summary statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013 and Profits and Losses, Statement of Changes in Equity and Cash Flows for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 of Lemon Tree Hotels Limited (collectively, the "Restated Standalone Summary Statements")

To
The Board of Directors
Lemon Tree Hotels Limited
Asset No. 6,
Aerocity Hospitality District,
New Delhi – 110037

Dear Sirs,

1. We have examined the attached Restated Standalone Summary Statements of Lemon Tree Hotels Limited ("Company") as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Standalone Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- a. sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"), read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
- b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "ICDR Regulations").

Management's Responsibility for the Restated Standalone Summary Statements

2. The preparation of Restated Standalone Summary Statements which are to be included in the Draft Red Herring Prospectus ("DRHP") is the responsibility of the Management of the Company for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Standalone Summary Statements taking into consideration:

- a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 23, 2017, requesting us to carry out work such assignment in connection with the proposed IPO;
- b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("the Guidance Note"); and
- c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an IPO which comprises an offer for sale made by certain shareholders' of existing equity shares of Rs 10 each, at such premium, arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Board of Directors of the Company.

Restated Standalone Summary Statements as per audited standalone financial statements:

5. The Restated Standalone Summary Statements have 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 and have been compiled by the management from:

- a. the audited standalone financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meeting held on June 15, 2017;

- b. the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2016 and 2015, prepared in accordance with accounting principles generally accepted followed in India ("Previous GAAP" or "Indian GAAP") at the relevant time, which have been approved by the Board of Directors at their meetings held on June 21, 2016 and June 17, 2015, respectively; and
- c. the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2014 and 2013, prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meetings held on June 10, 2014 and June 27, 2013, respectively.

6. For the purpose of our examination, we have relied on:

- a. Auditor's reports issued by us dated June 15, 2017, June 21, 2016 and June 17, 2015 on the standalone financial statements of the Company as at and for the years ended March 31, 2017, 2016 and 2015, respectively, as referred in paragraph 5(a) and 5(b) above; and
- b. Auditor's reports issued by S.R. Batliboi & Associates LLP, (hereinafter referred as "SRBA"), dated June 10, 2014 and June 27, 2013 on the standalone financial statements of the Company as at and for the years ended March 31, 2014 and 2013, respectively, as referred in paragraph 5(c) above.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Standalone Summary Statements which as stated in Para 2.1 of Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Restated Standalone Summary Statement of Material Adjustments and Regroupings, read with paragraph 10 and paragraph 11 below:

- a) The restated standalone summary statement of assets and liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure I to this report.
- b) The restated standalone summary statement of profit and loss of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure II to this report.
- c) The restated standalone summary statement of changes in equity of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure III to this report.
- d) The restated standalone summary statement of cash flows of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure IV to this report.
- e) Based on the above and according to the information and explanations given to us, we further report that Restated standalone Summary Statements of the Company, as attached to this report, read with basis of preparation and respective significant accounting policies given in Annexure V have been prepared in accordance with the Rules and the SEBI Regulations and that these Restated standalone Summary Statements:
 - i) have been made after making such adjustments and regroupings, as fully described in the notes appearing in Annexure VI to this report, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial years to which they relate;
 - iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Summary Statement; and
 - iv) there are no qualifications in the auditors' reports on the audited standalone financial statements of the Company as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which require any adjustments to the Restated Standalone Summary Statements except for the following qualification included in the auditor's report on the standalone financial statements as at and for each of the years ended March 31, 2015, 2014 and 2013, which have not been adjusted to the Restated Standalone Summary Statement as the money was collected during the year ended March 31, 2016 and March 31, 2017 as stated as Note 12 of Annexure VI:

As at and for the year ended March 31, 2015

Attention is invited to Note 14 which explain recovery of advance of Rs 351.94 million (including other charges) given to a developer in earlier years, the recovery of which is still awaited and the company had initiated the legal actions against the developer in this respect, more fully described therein. Pending the final outcome of the aforementioned matters, we are unable to comment upon any consequential adjustments, if any, to the financial statement in this regard.

This matter was also subject matter for qualification in the years ended March 31, 2014 and 2013.

- v) Emphasis of Matter included in the auditor's report on the standalone financial statement as at and for the year ended March 31, 2013, which do not require any corrective adjustment in the Restated Standalone Summary Statement, are as follows (also refer Notes 43 of Annexure V) :

As at and for the year ended March 31, 2013

We draw attention to note no. 28(a) of the accompanying financial statement, relating to the accounting treatment adopted by the Company pursuant to a scheme of arrangement approved by the Honourable High Court of Delhi, where by the Company in its financial statement has adjusted difference aggregating to Rs 308.62 million against the Securities premium account. The said treatment, although approved by the Honourable High court, is different from the accounting treatment prescribed under the Accounting Standards as both Reserve and securities premium account are lower by the said amount of Rs 308.62 million.

- vi) Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016, 2015 and 2003 (as amended), as applicable, on the standalone statutory financial statement for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the Restated Standalone Summary Statement, are as follows:

As at and for the year ended March 31, 2017

- i) Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

- ii) Clause (vii) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Disputed amount Rs. (In Mn)	Amount paid under protest Rs. (In Mn)	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate tribunal
Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.60	Nil	FY 2010-11	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	3.71	Nil	FY 2012-13	Central Excise and Service Tax Appellate tribunal
Service Tax Rule, 1994	Service Tax	9.37	Nil	FY 2013-14	Stay application filed at Central Excise and Service Tax Appellate tribunal

As at and for the year ended March 31, 2016

- i) Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

ii) Clause (vii)(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Disputed amount Rs. (In Mn)	Amount paid under protest Rs. (In Mn)	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate tribunal
Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.60	Nil	FY 2010-11	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	3.71	Nil	FY 2012-13	Central Excise and Service Tax Appellate tribunal
Service Tax Rule, 1994	Service Tax	9.37	Nil	FY 2013-14	Central Excise and Service Tax Appellate tribunal

As at and for the year ended March 31, 2015

i) Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

ii) Clause (vii) (c)

According to the records of the Company, the due outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of dues	Disputed amount Rs. (In Mn)	Amount paid under protest Rs. (In Mn)	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate tribunal
Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.60	Nil	FY 2010-11	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	2.04	Nil	FY 2012-13	Central Excise and Service Tax Appellate tribunal
Service Tax Rule, 1994	Service Tax	4.71	Nil	FY 2013-14	Commissioner of Service Tax
Service Tax Rule, 1994	Service Tax	17.01	Nil	FY 2013-14	Central Excise and Service Tax Appellate tribunal

iii) Clause (vii) (a)

The Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current and immediately preceding financial year.

As at and for the year ended March 31, 2014

i) Clause (ix) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

ii) Clause (ix) (c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Disputed amount (In Rs Mn)	Amount paid under protest (In Rs Mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	34.29	Nil	2009-10	The Commissioner of Income Tax (Appeals)

iii) Clause (x)

The Company has no accumulated losses at the end of the financial year. In the immediately preceding financial year, the Company had incurred cash loss.

iv) Clause (xviii)

Attention is invited to Note 40 stating that the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 at a price as per the shareholder's agreement. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

As at and for the year ended March 31, 2013

i) Clause (ix)(a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

ii) Clause (ix)(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Disputed amount (Rs. In Mn)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	34.29	Nil	2009-10	The Commissioner of Income Tax (Appeals)

iii) Clause (x)

The Company has no accumulated losses at the end of the financial year and it has incurred cash losses in the current year. In the immediately preceding financial year, the Company had not incurred cash loss.

iv) Clause (xviii)

Attention is invited to Note 41 stating that the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act at a price higher than as determined by an independent third party valuer or is as per the shareholder's agreement. In view of the aforesaid, in our opinion, the prices at which shares have been issued are not prejudicial to the interest of the Company.

8. We have not audited any financial statement of the Company for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following restated standalone financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the each of the years ended March 31, 2017, 2016, 2015 2014 and 2013:

- a. Restated Standalone Statement of Material Adjustments and Regroupings, as Annexure VI,
- b. Restated Standalone Statement of tax shelters, as Annexure VII,
- c. Restated Standalone Statement of Accounting Ratios, as Annexure VIII,
- d. Standalone Capitalisation Statement, as Annexure IX,

10. According to the information and explanations given to us, in our opinion, the Restated Standalone Summary Statements for the years ended March 31, 2017 and 2016 and the abovementioned restated standalone financial information contained in Annexures VI to IX accompanying this report, read with Summary of Significant Accounting Policies disclosed in Para 2 of Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. According to information and explanation given to us in our opinion, the Proforma Ind AS Restated Standalone Summary Statements of the Company as at March 31, 2015, 2014 and 2013 and for the years ended March 31, 2015, 2014 and 2013, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making proforma adjustments as mentioned in Note 2.1 of Annexure V and have been prepared in accordance with the Rules, the ICDR Regulations and the Guidance Note.

12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statement referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with SEBI in connection with the proposed IPO of the Company. Our report should not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005

per Sanjay Vij

Partner

Membership Number: 95169

Place of Signature:

Date: September 14, 2017

Lemon Tree Hotels Limited
Annexure I Restated standalone statement of assets and liabilities

	Note of Annexure V	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
ASSETS						
Non-current assets						
(a) Property, plant and equipment	3	4,323.04	4,505.86	4,293.00	4,646.07	3,891.45
(b) Capital work-in-progress	4	58.72	52.71	117.80	48.26	647.95
(c) Investment property	5	25.01	25.45	25.89	26.33	-
(d) Intangible assets	6	5.18	3.69	6.29	12.36	10.76
(e) Intangible assets under development	6	14.04	-	-	-	-
(f) Financial assets	7					
(i) Investments		6,973.31	6,998.92	6,815.13	6,300.12	5,445.55
(ii) Loans		155.74	214.47	226.70	151.63	111.58
(iii) Other non-current financial assets		125.27	112.43	103.25	92.46	93.22
(g) Deferred tax assets (net)	8	-	-	-	-	-
(h) Non-Current tax assets	9	144.92	132.40	96.82	60.91	55.70
(h) Other non-current assets	10	867.02	697.57	1,040.17	1,114.19	1,639.39
		<u>12,692.25</u>	<u>12,743.50</u>	<u>12,725.05</u>	<u>12,452.33</u>	<u>11,895.60</u>
Current assets						
(a) Inventories	11	20.30	22.91	19.97	25.82	27.83
(b) Financial assets	12					
(i) Trade receivables		145.67	170.68	106.98	96.61	103.15
(ii) Cash and cash equivalents		56.64	50.97	42.14	303.05	73.55
(iii) Loans		61.36	0.11	5.61	-	4.39
(iv) Other current financial assets		1.18	1.34	1.43	1.25	1.65
(c) Other current assets	13	84.73	123.38	63.99	58.11	50.62
		<u>369.88</u>	<u>369.39</u>	<u>240.12</u>	<u>484.84</u>	<u>261.19</u>
Total Assets		<u>13,062.13</u>	<u>13,112.89</u>	<u>12,965.17</u>	<u>12,937.17</u>	<u>12,156.79</u>
EQUITY AND LIABILITIES						
Equity						
(a) Share capital	14	7,812.13	7,780.41	7,764.26	1,286.17	1,267.77
(b) Other equity	15	1,460.18	1,372.99	1,511.78	7,924.10	7,666.87
Total Equity		<u>9,272.31</u>	<u>9,153.40</u>	<u>9,276.04</u>	<u>9,210.27</u>	<u>8,934.64</u>
Liabilities						
Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	16	2,576.21	2,772.60	2,744.39	2,623.02	2,288.90
(b) Long term provisions	17	8.14	7.84	6.26	5.42	3.98
(c) Other non-current liabilities	18	97.76	83.18	67.23	51.03	34.83
		<u>2,682.11</u>	<u>2,863.62</u>	<u>2,817.88</u>	<u>2,679.47</u>	<u>2,327.71</u>
Current liabilities						
(a) Financial liabilities	19					
(i) Borrowings		421.60	441.92	416.37	573.89	257.94
(ii) Trade payables		368.67	313.99	294.61	216.58	73.56
(iii) Other financial liabilities		222.47	260.76	107.68	209.89	478.40
(b) Provisions	17	10.62	9.09	6.97	7.29	7.00
(c) Other current liabilities	20	84.35	70.11	45.62	39.78	77.54
		<u>1,107.71</u>	<u>1,095.87</u>	<u>871.25</u>	<u>1,047.43</u>	<u>894.44</u>
Total Liabilities		<u>3,789.82</u>	<u>3,959.49</u>	<u>3,689.13</u>	<u>3,726.90</u>	<u>3,222.15</u>
Total Equity and Liabilities		<u>13,062.13</u>	<u>13,112.89</u>	<u>12,965.17</u>	<u>12,937.17</u>	<u>12,156.79</u>

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited**

per Sanjay Vij
Partner
Membership No. 95169

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : Gurgaon
Date : September 14, 2017

Place : New Delhi
Date : September 14, 2017

Lemon Tree Hotels Limited
Annexure II Restated standalone statement of profit and loss

	Note of Annexure V	Year ended March 31, 2017 Rs. (in million)	Year ended March 31, 2016 Rs. (in million)	Year ended March 31, 2015 Rs. (in million) Proforma	Year ended March 31, 2014 Rs. (in million) Proforma	Year ended March 31, 2013 Rs. (in million) Proforma
I Income						
Revenue from operations	21	2,182.82	1,932.83	1,880.35	1,497.71	1,427.36
Other income	22	54.83	12.64	361.67	450.13	26.46
Total Income		2,237.65	1,945.47	2,242.02	1,947.84	1,453.82
II Expenses						
Cost of food and beverages consumed	23	138.09	130.81	132.84	119.19	136.71
Employee benefits expense	24	503.03	472.21	480.12	441.40	398.37
Other expenses	25	946.50	880.94	945.18	802.01	704.34
Total expenses		1,587.62	1,483.96	1,558.14	1,362.60	1,239.42
III Restated Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		650.03	461.51	683.88	585.24	214.40
Finance costs	26	412.56	425.78	461.82	358.47	322.34
Finance income	27	(36.97)	(23.21)	(32.27)	(121.47)	(17.94)
Depreciation and amortization expense	28	212.01	218.38	227.56	186.72	141.84
IV Restated Profit/(loss) before tax		62.43	(159.44)	26.77	161.52	(231.84)
V Restated Profit/(Loss) from continuing operations before tax		62.43	(159.44)	(2.20)	108.88	(264.64)
VI Tax expense:						
Current tax		8.91	3.92	2.03	18.70	-
Deferred tax charge/ (credit)		-	-	9.10	-	(28.40)
		8.91	3.92	11.13	18.70	(28.40)
VII Restated Profit/(Loss) from continuing operations (after tax)		53.52	(163.36)	(13.32)	90.18	(236.24)
VIII Profit/(loss) from discontinued operations before tax		-	-	28.96	52.64	32.80
Tax expense of discontinued operations		-	-	26.04	-	-
IX Profit/(loss) from Discontinued operations (after tax) (Also refer Note 50)		-	-	2.92	52.64	32.80
X Restated Net Profit/(Loss) (VII+IX)		53.52	(163.36)	(10.40)	142.82	(203.44)
XI Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans		1.49	0.55	0.90	0.97	(4.07)
Income tax effect		(0.30)	-	(0.04)	(0.04)	-
Restated Comprehensive income (net of taxes)		1.19	0.55	0.86	0.93	(4.07)
Total Restated comprehensive income/(loss) (X+XI)		54.71	(162.81)	(9.54)	143.75	(207.51)

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited**

per Sanjay Vij
Partner
Membership No. 95169

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : Gurgaon
Date : September 14, 2017

Place : New Delhi
Date : September 14, 2017

Lemon Tree Hotels Limited

Annexure III Restated standalone statement of changes in equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

At 1 April 2012 (Proforma)

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2013 (Proforma)

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2014 (Proforma)

Issued during the year - Bonus issue

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2015 (Proforma)

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2016

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2017

No. of shares	Amount Rs. (in million)
7,35,61,585	735.61
2,15,766	2.16
5,29,99,572	530.00
12,67,76,923	1,267.77
13,09,935	13.10
5,29,751	5.29
12,86,16,609	1,286.17
64,61,25,652	6,461.26
6,563	0.06
16,76,916	16.77
77,64,25,740	7,764.26
4,19,539	4.19
11,95,852	11.96
77,80,41,131	7,780.41
28,71,902	28.72
3,00,000	3.00
78,12,13,033	7,812.13

B. Other Equity

	Reserves and Surplus					Other equity
	Capital redemption reserve	Securities premium	Share based payments reserve	General reserves	Retained earnings	
	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)
Balance at 1 April 2012 (Proforma) (Refer note 14 of Annexure VI)	4.50	3,211.17	28.08	303.52	349.82	3,897.09
Restated profit / (loss) for the year	-	-	-	-	(203.44)	(203.44)
Remeasurement gains / (losses) on defined benefit plans	-	-	-	-	(4.07)	(4.07)
Issue of share capital	-	2,366.09	-	-	-	2,366.09

Lemon Tree Hotels Limited
Annexure III Restated standalone statement of changes in equity

	Reserves and Surplus					Other equity
	Capital redemption reserve	Securities premium	Share based payments reserve	General reserves	Retained earnings	
	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)
Share-based payments	-	-	18.50	-	-	18.50
Additions on ESOPs exercised (excluding transferred from stock options outstanding)	-	10.82	-	-	-	10.82
Transferred from stock options outstanding	-	2.89	(2.89)	-	-	-
On merger with Spank Hotels Private Limited (Also refer	-	1,591.08	-	-	56.63	1,647.71
On merger with Spank Hotels Private Limited for shares issued during the period April 1, 2011 to March 31, 2012 (Also refer Note 43)	-	242.79	-	-	-	242.79
Adjustment on merger with Spank Hotels Private Limited (Also refer Note 43)	-	(308.62)	-	-	-	(308.62)
Balance at 31 March 2013 (Proforma)	4.50	7,116.22	43.69	303.52	198.94	7,666.87
Restated profit / (loss) for the year	-	-	-	-	142.82	142.82
Remeasurement gains / (losses) on defined benefit plans	-	-	-	-	0.93	0.93
Issue of share capital	-	34.18	-	-	-	34.18
Share-based payments	-	-	2.23	-	-	2.23
Additions on ESOPs exercised (excluding transferred from stock options outstanding)	-	77.07	-	-	-	77.07
Transferred from stock options outstanding	-	19.66	(19.66)	-	-	-
Balance at 31 March 2014 (Proforma)	4.50	7,247.13	26.26	303.52	342.69	7,924.10
Restated profit / (loss) for the year	-	-	-	-	(10.40)	(10.40)
Remeasurement gains / (losses) on defined benefit plans	-	-	-	-	0.86	0.86
Issue of share capital	-	73.26	-	-	-	73.26
Share-based payments	-	-	1.32	-	-	1.32
Additions on ESOPs exercised (excluding transferred from stock options outstanding)	-	1.12	-	-	-	1.12
Transferred from stock options outstanding	-	0.25	(0.25)	-	-	-
Amounts utilized toward issue of fully paid bonus shares (Also Refer Note 29)	-	(6,461.26)	-	-	-	(6,461.26)
Balance at 31 March 2015 (Proforma)	4.50	860.50	27.33	303.52	333.15	1,529.00
Impact of Ind AS adjustments for earlier years on reserves (Also Refer Note 15 of Annexure VI)	-	-	(24.67)	-	7.45	(17.22)
Restated balance at 1 April 2015	4.50	860.50	2.66	303.52	340.60	1,511.78
Restated profit / (loss) for the year	-	-	-	-	(163.36)	(163.36)
Remeasurement gains / (losses) on defined benefit plans	-	-	-	-	0.55	0.55
Issue of share capital	-	7.77	-	-	-	7.77
Share-based payments	-	-	14.87	-	-	14.87

Lemon Tree Hotels Limited

Annexure III Restated standalone statement of changes in equity

	Reserves and Surplus					Other equity
	Capital redemption reserve	Securities premium	Share based payments reserve	General reserves	Retained earnings	
	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)	Rs. (in million)
Additions on ESOPs exercised (excluding transferred from stock options outstanding)	-	1.37	-	-	-	1.37
Transferred from stock options outstanding	-	0.35	(0.35)	-	-	-
Balance at 31 March 2016	4.50	869.99	17.18	303.52	177.80	1,372.99
Restated profit / (loss) for the year	-	-	-	-	53.52	53.52
Remeasurement gains / (losses) on defined benefit plans	-	-	-	-	1.19	1.19
Issue of share capital	-	3.45	-	-	-	3.45
Share-based payments	-	-	11.41	-	-	11.41
Additions on ESOPs exercised (excluding transferred from stock options outstanding)	-	17.62	-	-	-	17.62
Transferred from stock options outstanding	-	4.38	(4.38)	-	-	-
Balance at 31 March 2017	4.50	895.44	24.21	303.52	232.51	1,460.18

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

Lemon Tree Hotels Limited

per Sanjay Vij

Partner

Membership No. 95169

Patanjali G. Keswani

(Chairman & Managing Director)

DIN-00002974

Kapil Sharma

(Chief Financial Officer)

Nikhil Sethi

(Group Company Secretary & GM Legal)

Place : Gurgaon

Date : September 14, 2017

Place : New Delhi

Date : September 14, 2017

Lemon Tree Hotels Limited
Annexure IV Restated standalone statement of cash flows

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
A. Cash flow from operating activities					
Restated Profit (Loss) before tax	62.43	(159.44)	26.77	161.52	(231.84)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:					
Depreciation and amortisation expenses	212.01	218.38	227.56	186.72	141.84
Lease equalisation reserve	14.58	15.95	16.20	16.20	54.59
Finance income (including fair value change in financial instruments)	(36.97)	(23.21)	(32.27)	(24.39)	(14.52)
Finance costs	393.64	410.74	451.67	344.01	297.99
Advance written off	-	-	-	0.12	-
Provision for gratuity	1.88	2.27	2.08	1.87	0.34
Provision for leave encashment	0.54	0.03	(0.66)	0.83	0.54
Provision for loyalty programme	(0.14)	(1.14)	0.15	0.24	0.13
Amortization of prepayment expenses	6.87	2.19	-	-	-
Share based payments to employees	11.41	14.87	24.88	2.24	18.49
Excess provision/ credit balances written back	-	(0.64)	-	(2.90)	(0.70)
Loss on slump sale (Refer Note 44)	-	-	32.45	-	-
Profit on relinquishment of rights (Refer Note 48 & 49)	(43.95)	-	-	(444.00)	-
Profit on sale of investment (Refer Note 46)	-	-	(355.32)	-	-
Provision for litigations	0.90	1.95	-	-	-
Provision for doubtful debts	1.16	0.67	-	-	-
Net (gain)/ loss on sale of property plant and equipment	2.01	2.06	2.55	2.02	4.26
Operating profit before working capital changes:	626.37	484.68	396.06	244.48	271.12
Movements in working capital:					
Change in trade receivables	23.85	(64.37)	(10.37)	6.54	(31.19)
Change in loans and advances and other current assets	(2.29)	(40.07)	59.97	(5.59)	63.74
Change in inventories	2.62	(2.94)	5.85	2.02	(4.30)
Change in liabilities and provisions	(14.23)	108.68	(5.10)	59.55	(42.83)
Cash Generated from Operations	636.32	485.98	446.41	307.00	256.54
Direct taxes paid (net of refunds)	(21.74)	(39.49)	(73.11)	(23.95)	(28.73)
Net cash flow from operating activities (A)	614.58	446.49	373.30	283.05	227.81
B. Cash flows used in investing activities					
Purchase of Property, Plant & Equipment including CWIP and capital advances	(208.52)	(92.36)	(79.74)	(183.91)	(945.83)
Proceeds from sale of property plant & equipment	4.63	3.49	121.48	3.31	2.51
Sale proceeds on relinquishment of rights (Refer Note 48 & 49)	60.00	-	-	804.00	-
Purchase of investment in subsidiary companies	(31.40)	(164.82)	(2,073.88)	(822.63)	(2,024.59)
Sale of investment in subsidiary companies	-	-	1,136.34	-	0.50
Loans given to subsidiaries	(144.07)	(125.23)	(229.39)	(737.21)	(332.38)
Loans repaid by subsidiaries	214.60	136.80	926.55	669.60	1,025.32
Interest received	36.97	23.21	32.27	24.39	14.53
Net Cash flow used in investing activities (B)	(67.79)	(218.91)	(166.37)	(242.45)	(2,259.94)
C. Cash flows from / (used in) financing activities					
Proceeds from issuance of share capital	52.78	25.30	42.97	90.17	2,599.79
Proceeds from long term borrowings	224.04	232.10	561.71	1,861.35	465.86
Repayment of long term borrowings	(403.98)	(90.96)	(470.78)	(1,734.57)	(240.71)
Proceeds/ (repayments) of short term borrowings	(20.32)	25.55	(157.53)	315.96	(477.81)
Interest paid	(393.64)	(410.74)	(444.21)	(344.01)	(297.99)
Net Cash flow used in financing activities (C)	(541.12)	(218.75)	(467.84)	188.90	2,049.14

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Lemon Tree Hotels Limited
Annexure IV Restated standalone statement of cash flows

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
Net increase/(decrease) in cash and cash equivalents (A + B + C)	5.67	8.83	(260.91)	229.50	17.01
Cash and cash equivalents acquired on amalgamation	-	-	-	-	12.64
Cash and cash equivalents at the beginning of the year	50.97	42.14	303.05	73.55	43.90
Cash and cash equivalents at the end of the year	56.64	50.97	42.14	303.05	73.55
Components of cash and cash equivalents					
Cash on hand	1.94	2.42	3.95	2.37	2.41
Cheques on hand	-	-	-	2.43	-
Balances with scheduled banks in - Current accounts	54.70	48.55	38.19	298.25	71.14
Total cash and cash equivalents	56.64	50.97	42.14	303.05	73.55

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

Lemon Tree Hotels Limited

per Sanjay Vij

Partner

Membership No. 95169

Patanjali G. Keswani

(Chairman & Managing Director)

DIN-00002974

Kapil Sharma

(Chief Financial Officer)

Nikhil Sethi

(Group Company Secretary & GM Legal)

Place : Gurgaon

Date : September 14, 2017

Place : New Delhi

Date : September 14, 2017

1. Corporate Information

Lemon Tree Hotels Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037.

The principal activities of the Company is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Lemon Tree Hotel, Lemon Tree Premier and Red Fox Hotel. These Restated Standalone Financial Information and Other Standalone Financial Information were approved by the Board of Directors of the Company on 14 September 2017.

2.1 Basis of preparation

The Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows for the years ended March 31, 2017 and March 31, 2016 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Company has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated standalone financial information for the years ended March 31, 2015, 2014 and 2013 has been prepared on Proforma basis (i.e. "Proforma Standalone Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS standalone financial information for the year ended March 31, 2015, 2014 and 2013, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Standalone financial information as of and for the years ended March 31, 2015, 2014, and 2013 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2015). The basis of preparation for specific items where exemptions has applied are as follows:

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2015 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets and investment property.
- For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma standalone Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Company has continued with the classification of finance and operating leases on the

date of transition (i.e. April 1, 2015).

- The Company has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of Proforma Ind AS Standalone financial information for the year ended March 31, 2015, 2014 and 2013, the Company has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2012.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Company has continued with the existing exemption on the date of transition (i.e. April 1, 2015) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.
- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 15 of Annexure VI.

The Restated Consolidated Financial Information (including Restated Standalone Ind AS financial information for the year ended March 31, 2017 and March 31, 2016 and Restated Standalone Proforma Ind AS financial information for the year ended March 31, 2015, 2014 and 2013) have been compiled by the Company from the Audited Standalone Financial Statements of the Company for the year ended March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015, 2014 and 2013 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

For all periods up to and including the year ended March 31, 2016, the Company prepared its audited standalone financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. The date of transition to IndAS is April 1, 2015.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2016, 2015, 2014 and 2013 and of the Restated Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2016, 2015, 2014 and 2013.

The restated standalone financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, except where otherwise indicated.

The Restated Standalone Financial Information have been prepared by the management in

connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with SEBI, in accordance with the requirements of:

- a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
- c) Guidance note on reports in company prospectuses

These Restated Consolidated Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

2.2 Significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the restated standalone statement of assets and liabilities based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The Company's restated standalone financial information are presented in INR, which is also the parent company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each year end date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the restated standalone financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the restated standalone financial information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 30)
- Quantitative disclosures of fair value measurement hierarchy (note 35)
- Financial instruments (including those carried at amortized cost) (note 35)

(d) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

(e) Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction,

affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(f) Property, plant and equipment

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment. For the purpose of Proforma Standalone Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Company has provided the depreciation based on the estimated

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Capital work in progress is stated at cost less impairment. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Fixed Assets	Useful life considered (SLM) 2017	Useful life considered (SLM) 2016	Useful life considered (SLM) 2015	Useful life considered (SLM) 2014	Useful life considered (SLM) 2013
Plant & Machinery	15 Year	15 Year	15 Year	20 years	20 years
Building*	60 Years	60 Years	60 Years	58 Years	58 Years
Electrical installations and fittings	10 Years	10 Years	10 Years	20 years	20 years
Office Equipments	5 Years	5 Years	5 Years	20 years	20 years
Furniture and Fixtures	10 Years	10 Years	10 Years	10 Years	10 Years
Crockery, cutlery and soft furnishings	3 Years	3 Years	3 Years	3 Years	3 Years
Vehicles	8 Years	8 Years	8 Years	10 Years	10 Years
Computers	3 Years	3 Years	3 Years	6 Years	6 Years

* Building on leasehold land is depreciated over the primary lease period or useful life whichever is lower.

The Company, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Further the Company has considered the change in useful life as change in estimates.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

(g) Intangible assets

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Company has provided the amortization based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Intangible assets with definite useful life acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same shall be amortised on Straight line basis over its useful life.

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 income statement when the asset is derecognized.

(h) Investment properties

On transition to IND AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Investment properties. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(i) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their

intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

(j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Standalone Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Company has continued with the existing assessment on the date of transition (i.e. April 1, 2015).

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or
- (b) The receipts from the lessee are structured to increase in line with expected general inflation

to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

Stamp duties payable to local authorities on registration of lease agreements, are recognised as prepaid expense and charged off to Statement of Profit and Loss on an equitable basis over the lease term.

Conversion charges payable to local authorities on conversion of use of industrial plot for hotel purposes, are recognised as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term.

(k) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

(l) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously

recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) Provisions*General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Deferred Revenue

The Company operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Company's Hotels. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. The unutilized points lapse after two years. Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

(o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the year end date exceeds the contribution already paid, 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 year end date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year. Company's contribution made to Life Insurance Corporation is expenses off at the time of payment of premium.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan asset, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets (other than equity investment in subsidiaries) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Equity investments in subsidiaries are recognized at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The difference between the transaction amount and amortized cost in case of interest free loan to subsidiaries based on the expected repayment period is considered as 'deemed investment on account of interest free loan to subsidiaries' (Refer Note 7(i)).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Equity instruments in subsidiaries carried at cost

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. If there is any change in estimate for payment of loan (provided that there was no error in original estimate), difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The Company has designated compulsory redeemable preference shares investments in its subsidiaries at FVTPL. The difference between the transaction amount and amortized cost is considered as 'deemed investment in compulsory redeemable preference shares' (Refer Note 7(i)).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity instruments

All equity investments (other than equity investments in subsidiaries) in scope of Ind AS 109 are measured at fair value. Equity instruments in subsidiaries are carried at cost in separate financial statements less impairments if any. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial a

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Financial guarantee contracts

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(r) Share-based payments

Certain employees (including senior executives) of the company receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The Company has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Company has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share based payments as per Ind AS 102 'share based payments' that vested before 1 April 2012.

The cost of equity-settled transactions with employees that granted/ vested post April 1, 2015 are measured at fair value at the date at which they are granted/ vested using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(s) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs, and tax expense.

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Annexure V Notes to restated standalone financial information

3. Property, plant and equipment

Rs. (in million)												
Particulars	Freehold land	Building on freehold land	Building on leasehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total
Cost or valuation												
As at April 1, 2012 (Proforma)	803.70	1,419.59	581.16	386.92	181.44	72.42	18.17	270.25	82.76	31.08	64.34	3,911.83
Additions	-	4.41	4.04	5.64	0.54	5.82	1.90	4.78	-	2.19	22.12	51.44
Acquired on Amalgamation (refer note 43)	82.68	272.36	-	58.56	15.48	11.45	0.97	19.28	6.59	1.10	2.15	470.62
2012 acquired on amalgamation (refer note 43)	-	7.29	-	2.99	-	0.06	-	0.14	-	-	-	10.48
Disposals	-	-	-	-	2.13	-	0.04	0.53	-	-	8.19	10.89
As at March 31, 2013 (Proforma)	886.38	1,703.65	585.20	454.11	195.33	89.75	21.00	293.92	89.35	34.37	80.42	4,433.48
Additions	-	0.19	672.66	95.55	44.18	22.21	2.85	70.01	14.36	4.98	13.94	940.93
Disposals	-	-	-	0.23	0.45	0.04	0.22	-	-	-	8.31	9.25
As at March 31, 2014 (Proforma)	886.38	1,703.84	1,257.86	549.43	239.06	111.92	23.63	363.93	103.71	39.35	86.05	5,365.16
Additions	-	0.65	1.63	3.37	2.15	4.13	1.10	2.27	-	1.59	6.31	23.20
Disposals on slump sale (refer note 44)	12.17	119.53	-	17.06	12.41	10.34	1.07	20.54	6.33	3.00	2.76	205.21
Disposals	-	-	-	0.46	0.52	0.04	0.04	-	-	-	14.56	15.62
As at March 31, 2015 (Proforma)	874.21	1,584.96	1,259.49	535.28	228.28	105.67	23.62	345.66	97.38	37.94	75.04	5,167.53
Depreciation												
As at April 1, 2012 (Proforma)	2.48	107.58	32.38	48.23	25.57	7.45	4.62	67.34	54.18	17.56	26.67	394.06
Charge for the year	-	26.31	14.31	21.92	9.45	4.03	2.87	26.14	17.06	4.25	9.08	135.42
Acquired on Amalgamation (refer note 43)	-	1.07	-	0.67	0.18	0.13	0.01	0.44	0.53	0.05	0.00	3.08
2012 acquired on amalgamation (refer note 43)	-	4.48	-	3.34	0.74	0.55	0.05	1.84	2.20	0.18	0.20	13.58
Disposals	-	-	-	-	-	-	0.48	0.27	-	-	3.36	4.11
As at April 1, 2013 (Proforma)	2.48	139.44	46.69	74.16	35.94	12.16	7.07	95.49	73.97	22.04	32.59	542.03
Charge for the year	-	48.21	14.34	35.14	14.79	6.53	3.40	30.29	13.37	4.64	10.27	180.98
Disposals	-	-	-	0.09	-	-	0.10	-	-	0.02	3.71	3.92
As at March 31, 2014 (Proforma)	2.48	187.65	61.03	109.21	50.73	18.69	10.37	125.78	87.34	26.66	39.15	719.09
Charge for the year	-	25.37	10.55	43.47	30.34	13.51	8.67	61.90	4.58	9.02	12.43	219.84
Disposals on slump sale (refer note 44)	-	15.74	-	6.23	6.89	2.53	1.07	14.93	6.33	2.56	2.13	58.41
Disposals	-	-	-	0.13	-	-	0.17	-	-	0.01	5.68	5.99
As at March 31, 2015 (Proforma)	2.48	197.28	71.58	146.32	74.18	29.67	17.80	172.75	85.59	33.11	43.77	874.53
Net Book value												
As at March 31, 2015 (Proforma)	871.73	1,387.68	1,187.91	388.96	154.10	76.00	5.82	172.91	11.79	4.83	31.27	4,293.00
As at March 31, 2014 (Proforma)	883.90	1,516.19	1,196.83	440.22	188.33	93.23	13.26	238.15	16.37	12.69	46.90	4,646.07
As at April 1, 2013 (Proforma)	883.90	1,564.21	538.51	379.95	159.39	77.59	13.93	198.43	15.38	12.33	47.83	3,891.45

Deemed Cost as at April 1, 2015	871.73	1,387.68	1,187.91	388.96	154.10	76.00	5.82	172.91	11.79	4.83	31.27	4,293.00
Additions	-	220.60	7.88	74.38	26.90	15.42	1.67	49.73	11.86	5.26	4.13	417.83
Disposals	-	-	-	0.18	0.28	0.66	0.23	-	-	0.11	10.44	11.90
Other adjustments												
- Borrowing Costs	-	14.54	-	-	-	-	-	-	-	-	-	14.54
As at March 31, 2016	871.73	1,622.82	1,195.79	463.16	180.72	90.76	7.26	222.64	23.65	9.98	24.96	4,713.47
Additions	-	-	-	2.80	0.35	3.26	0.72	13.55	-	1.70	9.74	32.11
Disposals	-	-	-	0.22	0.51	0.15	2.54	9.71	0.10	0.35	8.44	22.02
As at March 31, 2017	871.73	1,622.82	1,195.79	465.74	180.56	93.87	5.44	226.48	23.55	11.33	26.26	4,723.56
Depreciation												
As at April 1, 2015												
Charge for the year	-	24.34	32.95	38.61	31.81	12.65	3.68	47.92	8.92	3.39	9.72	213.99

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Disposals	-	-	-	0.07	0.28	0.05	0.25	-	-	0.06	5.67	6.38
As at March 31, 2016	-	24.34	32.95	38.54	31.53	12.60	3.43	47.92	8.92	3.33	4.05	207.61
Charge for the year	-	27.58	28.87	42.51	31.95	13.88	1.83	44.19	7.38	3.07	7.04	208.30
Disposals	-	-	-	0.07	0.51	0.07	2.40	6.30	0.11	0.32	5.61	15.39
As at March 31, 2017	-	51.92	61.82	80.98	62.97	26.41	2.86	85.81	16.19	6.08	5.48	400.52
Net Book value												
As at March 31, 2017	871.73	1,570.90	1,133.97	384.76	117.59	67.46	2.58	140.67	7.36	5.25	20.78	4,323.04
As at March 31, 2016	871.73	1,598.48	1,162.84	424.62	149.19	78.16	3.83	174.72	14.73	6.65	20.91	4,505.86

Net book value

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Plant, property and equipment	4,323.04	4,505.86	4,293.00	4,646.07	3,891.45

Notes

a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 15 on 'borrowings'.

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4. Capital work-in-progress

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Hotel at Shimla					
Material	41.40	36.25	32.00	32.00	32.00
Project staff expenses	6.01	5.16	4.56	4.56	4.09
Salary wages & bonus	2.97	2.97	2.97	2.97	2.97
Professional charges	8.07	8.06	7.40	7.40	6.55
Others	0.27	0.27	0.27	0.27	0.27
	58.72	52.71	47.20	47.20	45.88
Hotel at Aerocity Dial					
Material	-	-	-	471.09	261.10
Professional charges	-	-	-	65.08	59.77
Borrowing cost	-	-	-	104.53	46.47
Lease rent	-	-	-	117.73	99.53
Infrastructure development charges (Refer Note 45)	-	-	-	104.63	104.63
Salary, wages & bonus	-	-	-	15.23	9.15
Project staff expenses other than salary	-	-	-	16.59	7.11
Rates and taxes	-	-	-	0.04	0.01
Others	-	-	-	16.87	10.22
	-	-	-	911.79	597.99
Less:- Capitalised during the year	-	-	-	911.79	
	-	-	-	-	597.99
Hotel at Gurgaon, City Centre					
Material	-	336.50	51.26	0.24	-
Professional charges	-	32.56	11.75	0.29	-
Borrowing cost	-	14.53	3.32	-	-
Salary, wages & bonus	-	9.81	2.99	0.53	-
Project staff expenses other than salary	-	3.34	1.39	0.27	-
Misc.Gov.expenses/fees	-	4.18	0.89	0.73	-
	-	400.92	71.60	2.06	-
Less: scrap sale	-	1.00	1.00	1.00	-
	-	399.92	70.60	1.06	-
Less:- Capitalised during the year	-	399.92	-	-	-
	-	-	70.60	1.06	-
Hotel at Gurgaon, Sector 60					
Professional charges	-	-	-	-	4.08
	-	-	-	-	4.08
	58.72	52.71	117.80	48.26	647.95

5. Investment property

Particulars	Rs. (in million)	Total (Rs. in million)
Cost or valuation		
As at April 1, 2012 (Proforma)	-	-
Additions	-	-
As at March 31, 2013 (Proforma)	-	-
Additions	26.33	26.33
As at March 31, 2014 (Proforma)	26.33	26.33
Additions	-	-
As at March 31, 2015 (Proforma)	26.33	26.33
Depreciation and Impairment		
As at April 1, 2012 (Proforma)	-	-
Additions	-	-
As at March 31, 2013 (Proforma)	-	-
Additions	0.00	0.00
As at March 31, 2014 (Proforma)	0.00	0.00
Additions	0.44	0.44
As at March 31, 2015 (Proforma)	0.44	0.44
Net Block		
As at March 31, 2015 (Proforma)	25.89	25.89
As at March 31, 2014 (Proforma)	26.33	26.33
As at March 31, 2013 (Proforma)	-	-
Deemed Cost as at April 1, 2015	25.89	25.89
Additions	-	-
As at March 31, 2016	25.89	25.89
Additions	-	-
As at March 31, 2017	25.89	25.89
Depreciation and Impairment		
As at April 1, 2015	-	-
Additions	0.44	0.44
As at March 31, 2016	0.44	0.44
Additions	0.44	0.44
As at March 31, 2017	0.88	0.88
Net Block		
As at March 31, 2017	25.01	25.01
As at March 31, 2016	25.45	25.45

Information regarding income and expenditure of Investment property:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Rental income derived from investment property	1.44	1.29	0.18	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-			
and maintenance) that did not generate rental income	(0.10)	(0.11)	(0.07)	-	-
Profit arising from investment properties before depreciation and indirect expenses	1.34	1.18	0.11	-	-
Less – Depreciation	(0.44)	(0.44)	(0.44)	(0.00)	-
Profit arising from investment properties before indirect expenses	0.90	0.74	(0.33)	(0.00)	-

The Company's investment properties consist of a commercial property in India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property.
The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 the fair values of the property is Rs. 25.89 million, Rs. 25.89 million, Rs. 25.89 million, Rs. 26.33 million respectively.

These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property.
The management has considered these valuations on the basis that there is no material change in the value of property since acquired.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique	Significant unobservable Inputs
Sales comparable method	Location Size of building Quality of building Visibility of unit Furnished/unfurnished

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Annexure V Notes to restated standalone financial information

6. Intangible Assets

Particulars	Software Rs. (in million)	Total Rs. (in million)
Cost or valuation		
As at April 1, 2012 (Proforma)	36.50	36.50
Additions	1.63	1.63
Acquired on Amalgamation (refer note 43)	1.59	1.59
2012 acquired on Amalgamation (refer note 43)	0.01	0.01
Disposals	-	-
As at March 31, 2013 (Proforma)	39.73	39.73
Additions	7.34	7.34
Disposals	-	-
As at March 31, 2014 (Proforma)	47.07	47.07
Additions	1.70	1.70
Disposals on slump sale (refer note 44)	0.51	0.51
Disposals	-	-
As at March 31, 2015 (Proforma)	48.26	48.26
Amortisation and impairment		
As at April 1, 2012 (Proforma)	22.15	22.15
Charge for the year	6.42	6.42
Acquired on Amalgamation (refer note 43)	0.08	0.08
2012 acquired on Amalgamation (refer note 43)	0.32	0.32
Disposals	-	-
As at March 31, 2013 (Proforma)	28.97	28.97
Charge for the year	5.74	5.74
Disposals	-	-
As at March 31, 2014 (Proforma)	34.71	34.71
Charge for the year	7.72	7.72
Disposals on slump sale (refer note 44)	0.46	0.46
Disposals	-	-
As at March 31, 2015 (Proforma)	41.97	41.97
Net Block		
As at March 31, 2015 (Proforma)	6.29	6.29
As at March 31, 2014 (Proforma)	12.36	12.36
As at March 31, 2013 (Proforma)	10.76	10.76
Deemed Cost as at April 1, 2015	6.29	6.29
Additions	1.35	1.35
Disposals	-	-
As at March 31, 2016	7.64	7.64
Additions	4.76	4.76
Disposals	4.13	4.13
As at March 31, 2017	8.27	8.27
Amortisation and impairment		
As at April 1, 2015	-	-
Amortisation	3.95	3.95
Disposals	-	-
As at March 31, 2016	3.95	3.95
Amortisation	3.27	3.27
Disposals	4.13	4.13
As at March 31, 2017	3.09	3.09
Net Block		
As at March 31, 2017	5.18	5.18
As at March 31, 2016	3.69	3.69

Net book value

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Intangible assets	5.18	3.69	6.29	12.36	10.76
Intangible assets under development	14.04	-	-	-	-

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Annexure V Notes to restated standalone financial information
7. Financial assets - (Non current)

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma		As at March 31, 2013 Proforma	
	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)
(i) Investments										
Investments at cost										
Unquoted equity shares of subsidiary companies										
Equity shares of Fleur Hotels Private Limited of Rs.10 each fully paid.	34,374,498	4,430.72	34,374,498	4,430.72	33,745,748	4,325.71	19,829,813	2,304.66	14,981,355	1,504.66
Equity shares of Hyacinth Hotels Private Limited of Re.1 each fully paid. (Refer note 46)	-	-	-	-	-	-	7,100,000	772.87	7,100,000	772.87
Equity shares of PSK Resorts & Hotels Private Limited of Re.1 each fully paid.	8,667,000	265.91	8,667,000	265.91	8,667,000	265.91	8,667,000	265.91	8,667,000	265.91
Equity shares of Canary Hotels Private Limited of Re.1 each fully paid	5,945,400	182.43	5,945,400	182.43	5,945,400	182.43	5,945,400	182.43	5,945,400	182.43
Equity shares of Sukhsagar Complexes Pvt Ltd of Rs.10 each fully paid.	495,000	152.47	495,000	152.47	495,000	152.47	495,000	152.47	495,000	152.47
Equity shares of Citrus Hotels Private Limited of Re.10 each fully paid (Refer note 47)	-	-	-	-	-	-	1,000,000	136.80	1,000,000	136.80
Equity shares of Nightingale Hotels Pvt Ltd of Re.1 each fully paid.	75,000,000	93.14	75,000,000	93.14	75,000,000	93.14	3,000,000	93.14	2,850,000	73.14
Equity shares of Manakin Resorts Pvt. Ltd. of Rs.10 each fully paid.	571,428	39.07	571,428	39.07	571,428	39.07	571,428	39.07	571,428	39.07
Equity shares of Meringue Hotels Private Limited of Re. 1 each fully paid. (Refer note 46)	-	-	-	-	-	-	872,000	8.00	872,000	8.00
Equity shares of Begonia Hotels Private Limited of Re.1 each fully paid.	10,854,592	4.89	10,854,592	4.89	193,832	4.89	193,832	4.89	193,832	4.89
Equity shares of Oriole Dr Fresh Hotels Pvt Ltd of Rs.10 each fully paid.	200,000	2.00	200,000	2.00	200,000	2.00	120,000	1.20	120,000	1.20
Equity shares of Carnation Hotels Private Limited of Re.1 each fully paid.	934,580	0.93	700,000	0.70	700,000	0.70	853,660	0.85	699,990	0.70
Equity shares of Grey Fox Project Management Company Private Limited of Re.1 each fully paid.	375,000	0.38	375,000	0.38	375,000	0.38	375,000	0.38	375,000	0.38
Equity shares of Pelican Facilities Management Pvt Ltd of Re.1 each fully paid.	100,000	0.10	100,000	0.10	100,000	0.10	100,000	0.10	100,000	0.10
Equity shares of Dandelion Hotels Private Limited of Re.1 each fully paid.	100,000	0.10	100,000	0.10	100,000	0.10	100,000	0.10	100,000	0.10
Equity shares of Lemon Tree Hotel Company Private Limited of Re.1 each fully paid.	350,000	0.35	200,000	0.20	100,000	0.10	100,000	0.10	100,000	0.10
Equity shares of Red Fox Hotel Company Private Limited of Re.1 each fully paid.	100,000	0.10	100,000	0.10	100,000	0.10	100,000	0.10	100,000	0.10

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7. Financial assets - (Non current)

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma		As at March 31, 2013 Proforma	
	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)
Unquoted compulsory redeemable preference shares of subsidiary companies at fair value through Profit and loss										
5% Redeemable Cumulative Preference Shares of Oriole Dr. Fresh Hotels Private Limited of Rs.100 each fully paid.*	1,790,000	51.64	1,790,000	46.30	1,790,000	41.51	1,074,000	23.94	1,074,000	21.46
10% Redeemable Cumulative Preference shares of Canary Hotels Private Limited of Re.100 each fully paid.**	2,700,000	270.00	2,700,000	270.00	2,700,000	270.00	2,700,000	270.00	2,700,000	270.00
5% Redeemable Cumulative Preference shares of Canary Hotels Private Limited of Re.100 each fully paid.***	320,000	12.74	240,000	8.46	50,000	1.77	-	-	-	-
5% Redeemable Cumulative Preference shares of Carnation Hotels Private Limited of Re.100 each fully paid.***	350,000	15.57	350,000	13.99	350,000	12.57	-	-	-	-
5% Redeemable Cumulative Preference shares of Grey Fox Project Management Company Private Limited of Re.100 each fully paid.****	420,000	31.81	420,000	28.59	370,000	22.82	-	-	-	-
5% Redeemable Cumulative Preference shares of Sukhsagar Hotels Private Limited of Re.100 each fully paid.***	770,000	32.44	680,000	25.77	430,000	15.47	-	-	-	-
Deemed investment on account of interest free loan to subsidiaries										
Dandelion Hotels Private Limited		101.50		31.59		14.60		-		-
Nightingale Hotels Private Limited		-		-		-		184.43		139.07
Meringue Hotels Private Limited		955.23		955.23		953.25		817.89		686.42
Citrus Hotels (Refer note 47)		-		-		-		0.93		458.68
Grey fox project management company Private Limited		-		-		-		27.16		15.75
Oriole Dr Fresh Hotels Private Limited		83.96		210.89		210.89		148.92		114.33
Carnation Hotels Private Limited		-		-		-		27.87		12.91
Sukhsagar Hotels Private Limited		-		-		-		18.40		220.90
Hyacinth Hotels Private Limited		-		-		-		730.99		276.60
Deemed investment in compulsorily redeemable preference shares recognised at fair value through profit and loss										
Sukhsagar Hotels Private Limited		49.29		43.97		27.53		-		-
Oriole Dr Fresh Hotels Private Limited		137.67		137.67		137.67		86.43		86.43
Canary Hotels Private Limited		20.45		15.74		3.23		-		-
Carnation Hotels Private Limited		22.43		22.43		22.43		-		-
Grey Fox Project Management Company Private Limited		15.96		15.96		14.18		-		-
Investments at fair value through profit and loss										
Others										
Equity shares of SEP Energy Private Limited of Rs.10 each fully paid.	2,567	0.03	2,567	0.03	2,567	0.03	950	0.01	950	0.01

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information

7. Financial assets - (Non current)

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma		As at March 31, 2013 Proforma	
	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)	No. of shares	Rs. (in million)
Investment at amortised cost										
Six Years National Saving Certificates		-		0.09		0.08		0.08		0.07
		6,973.31		6,998.92		6,815.13		6,300.12		5,445.55
Aggregate book value of quoted investments		-		-		-		-		-
Aggregate market value of quoted investments		-		-		-		-		-
Aggregate amount of impairment in value of investments		-		-		-		-		-
Current		-		-		-		-		-
Non-Current		6,973.31		6,998.92		6,815.13		6,300.12		5,445.55
Total		6,973.31		6,998.92		6,815.13		6,300.12		5,445.55

*The preference shares are to be redeemed on or after August 1, 2020 but not later than 15 years from the date of allotment.

**The preference shares are to be redeemed on October 4, 2027.

***The preference shares will be redeemed at the option of the Subsidiary Company at any-time after the expiry of one year or before expiry of ten years from the date of allotment.

****The preference shares will be redeemed at the option of the Subsidiary Company at any-time after the expiry of one year or before expiry of five years from the date of allotment.

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
(ii) Loans					
(unsecured considered good unless otherwise stated)					
Loans to subsidiary companies repayable on demand at amortized cost	47.18	138.31	134.25	45.32	56.92
Loans to employees at amortised cost	108.56	76.16	92.45	106.31	54.66
	155.74	214.47	226.70	151.63	111.58
(iii) Other non-current financial assets					
(unsecured considered good unless otherwise stated)					
Security Deposits at amortised cost	87.18	77.18	70.12	62.05	55.59
Interest accrued on deposits with banks and others	12.78	9.94	7.51	5.33	4.37
Other bank balances	25.31	25.31	25.62	25.08	33.26
	125.27	112.43	103.25	92.46	93.22

8. Deferred tax assets (net)

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Property, plant & equipment and intangible assets	362.47	341.49	308.05	236.73	236.73
Others	-	-	-	0.09	0.09
Deferred tax liability	362.47	341.49	308.05	236.82	236.82
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	8.30	29.37	28.34	10.02	10.02
Provision for doubtful debts and advances	1.00	0.31	0.08	0.22	0.22
Effect of unabsorbed depreciation and business loss	263.57	234.10	213.72	172.86	187.56
Gratuity	3.24	3.11	2.53	1.73	-
Leave compensation	2.17	1.98	1.97	1.83	-
Loyalty program	0.18	0.23	0.62	0.46	-
Provision for litigations	0.97	-	-	-	-
Inventories	1.06	-	-	-	-
Security deposits	47.92	42.51	36.81	30.86	24.69
Loan to employee	0.58	0.73	1.12	1.27	0.70
Borrowings	0.25	0.07	0.01	0.22	1.79
Lease equalization	33.23	28.28	22.85	17.35	11.84
Deferred tax asset	362.47	341.49	308.05	236.82	236.82
Deferred tax asset (net)	-	-	-	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Profit/(loss) before tax	62.43	(159.44)	26.77	161.52	(231.84)
Tax rate	33.99%	33.99%	33.99%	33.99%	33.99%
Tax at statutory income tax rate	21.22	(54.19)	9.10	54.90	(78.80)
Effect of incomes taxable at nil/lower rate	(14.83)	0.62	(36.43)	(104.67)	12.98
Effect of non-deductible expenses	-	-	2.30	3.58	-
Unrecognized tax assets (net) (Refer note 30)	2.52	57.49	62.20	64.89	37.42
Net	8.91	3.92	37.17	18.70	(28.40)
As per statement of profit and loss	8.91	3.92	37.17	18.70	(28.40)

9. Non-Current tax asset

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Advance Income Tax (net of provision for taxation)	144.92	132.40	96.82	60.91	55.70
	144.92	132.40	96.82	60.91	55.70

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information
10. Other non-current assets

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Unsecured, considered good					
Capital advances	278.18	98.03	399.63	426.17	931.66
Advance fringe benefit tax	-	-	-	1.89	1.88
Prepaid stamp duty	22.83	21.12	23.69	27.65	29.58
Prepaid conversion charges	51.26	52.26	53.27	54.27	55.28
Prepayments of security deposit	514.75	526.16	563.58	604.21	620.99
Total	867.02	697.57	1,040.17	1,114.19	1,639.39

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11. Inventories**(valued at lower of cost and net realisable value)**

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Food and beverages (excluding liquor and wine)	4.94	4.80	3.34	4.19	4.31
Liquor and wine	2.92	3.81	2.75	4.30	4.04
Stores, cutlery, crockery, linen, provisions and others	12.44	14.30	13.88	17.33	19.48
Total	20.30	22.91	19.97	25.82	27.83

During the year ended March 31, 2017: Rs. 3.11 million, (March 31, 2016: Rs. 1.77 million, March 31, 2015: Rs. 1.04 million, March 31, 2014: Nil and March 31, 2013: Nil) was recognised as an expense for inventories carried at net realisable value.

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Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information

12. Financial assets - (Current)

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
(i) Trade receivables					
Trade receivables	145.67	170.68	106.98	96.61	103.15
Break-up for security details:					
Trade receivables					
Secured, considered good	-	-	-	-	-
Unsecured, considered good	145.85	170.68	106.98	96.61	103.15
Doubtful	1.38	0.90	0.23	0.68	0.68
	147.23	171.58	107.21	97.29	103.83
Impairment Allowance (allowance for bad and doubtful debts)					
Unsecured, considered good	0.18	-	-	-	-
Doubtful	1.38	0.90	0.23	0.68	0.68
	1.56	0.90	0.23	0.68	0.68
	145.67	170.68	106.98	96.61	103.15

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
The interest free credit period given to customers is upto 90 days.

	As At March 31, 2017 Rs. (in million)	As At March 31, 2016 Rs. (in million)	As At March 31, 2015 Rs. (in million) Proforma	As At March 31, 2014 Rs. (in million) Proforma	As At March 31, 2013 Rs. (in million) Proforma
(ii) Cash and cash equivalents					
Balance with banks					
On current & cash credit accounts	54.70	48.55	38.19	298.25	71.14
Cheques on hand	-	-	-	2.43	-
Cash on hand	1.94	2.42	3.95	2.37	2.41
	56.64	50.97	42.14	303.05	73.55

At March 31, 2017, the Company had available Rs. Nil (March 31, 2016: Rs. Nil, March 31, 2015: Nil, March 31, 2014: Nil and March 31, 2013: Nil) of undrawn committed borrowing facilities.

	As At March 31, 2017 Rs. (in million)	As At March 31, 2016 Rs. (in million)	As At March 31, 2015 Rs. (in million) Proforma	As At March 31, 2014 Rs. (in million) Proforma	As At March 31, 2013 Rs. (in million) Proforma
(iii) Loans					
Loans & advance to subsidiaries	61.36	0.11	3.11	-	3.19
Loans to employees	-	-	2.50	-	1.20
	61.36	0.11	5.61	-	4.39

	As At March 31, 2017 Rs. (in million)	As At March 31, 2016 Rs. (in million)	As At March 31, 2015 Rs. (in million) Proforma	As At March 31, 2014 Rs. (in million) Proforma	As At March 31, 2013 Rs. (in million) Proforma
(iv) Other current financial assets					
Security deposits	1.14	1.05	1.05	1.05	1.27
Commission receivable	0.04	0.29	0.38	0.20	0.38
	1.18	1.34	1.43	1.25	1.65

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information
13. Other current assets

	As At March 31, 2017 Rs. (in million)	As At March 31, 2016 Rs. (in million)	As At March 31, 2015 Rs. (in million) Proforma	As At March 31, 2014 Rs. (in million) Proforma	As At March 31, 2013 Rs. (in million) Proforma
Advances recoverable in cash or kind					
- Others	11.48	11.06	10.04	13.06	9.39
Accrued revenue	21.71	53.08	16.33	5.02	7.43
Advances for investments	-	-	-	0.02	-
Balance with statutory/ government authorities	30.32	40.61	16.56	24.90	16.27
Prepaid stamp duty	2.55	2.55	2.50	2.50	2.50
Prepaid conversion charges (Also refer note 40)	1.01	1.01	1.01	1.01	1.01
Prepaid Expenses	17.66	15.07	17.55	11.60	14.02
Total	84.73	123.38	63.99	58.11	50.62

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Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information
14. Share capital
Authorised Share Capital

	Equity shares	
	No. of shares	Rs (in million)
At 1 April 2012 (proforma)	77,600,000	776.00
Increase during the year	56,850,000	568.50
At 31 March 2013 (proforma)	134,450,000	1,344.50
Increase during the year	864,100,000	8,641.00
At 31 March 2014 (proforma)	998,550,000	9,985.50
Increase during the year	-	-
At 31 March 2015 (proforma)	998,550,000	9,985.50
Increase during the year	-	-
At 31 March 2016	998,550,000	9,985.50
Increase during the year	-	-
At 31 March 2017	998,550,000	9,985.50

5% Redeemable Cumulative Preference Shares

	5% Redeemable Cumulative Preference Shares	
	No. of shares	Rs (in million)
At 1 April 2012 (proforma)	145,000	14.50
Increase during the year	-	-
At 1 April 2013 (proforma)	145,000	14.50
Increase during the year	-	-
At 31 March 2014 (proforma)	145,000	14.50
Increase during the year	-	-
At 31 March 2015 (proforma)	145,000	14.50
Increase during the year	-	-
At 31 March 2016	145,000	14.50
Increase during the year	-	-
At 31 March 2017	145,000	14.50

Issued equity capital
Equity shares of Rs 10 each issued, subscribed and fully paid

	Equity shares of Rs 10 each issued, subscribed and fully paid	
	No. of shares	Rs (in million)
At 1 April 2012 (proforma)	73,561,585	735.61
Issued during the year - Exercise of ESOP	215,766	2.16
Issued during the year - other than ESOP	52,999,572	530.00
At 31 March 2013 (proforma)	126,776,923	1,267.77
Issued during the year - Exercise of ESOP	1,309,935	13.10
Issued during the year - other than ESOP	529,751	5.30
At 31 March 2014 (proforma)	128,616,609	1,286.17
Issued during the year - Bonus issue	646,125,652	6,461.26
Issued during the year - Exercise of ESOP	6,563	0.06
Issued during the year - other than ESOP	1,676,916	16.77
At 31 March 2015 (proforma)	776,425,740	7,764.26
Issued during the year - Exercise of ESOP	419,539	4.19
Issued during the year - other than ESOP	1,195,852	11.96
At 31 March 2016	778,041,131	7,780.41
Issued during the year - Exercise of ESOP	2,871,902	28.72
Issued during the year - other than ESOP	300,000	3.00
At 31 March 2017	781,213,033	7,812.13

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information

* excluding 61,032 equity shares (March 31, 2016: 61,032 shares, March 31, 2015: 61,032 shares, March 31, 2014: 10,172 shares, March 31, 2013: 6,937 shares, April 1, 2012: Nil shares) held by ESOP trust which has been consolidated in accordance with the requirement of IND AS 110. The movement is explained below :-

	Share capital		Shares held by ESOP trust		Share capital (net)	
	No. of shares	Rs in million	No. of shares	Rs in million	No. of shares	Rs in million
At 1 April 2012 (Proforma)	73,561,585	735.61	-	-	73,561,585	735.61
Issued during the year - Exercise of ESOP	222,703	2.23	6,937	0.07	215,766	2.16
Issued during the year - other than ESOP	52,999,572	530.00	-	-	52,999,572	530.00
At 31 March 2013 (Proforma)	126,783,860	1,267.84	6,937	0.07	126,776,923	1,267.77
Issued during the year - Exercise of ESOP	1,313,170	13.13	3,235	0.03	1,309,935	13.10
Issued during the year - other than ESOP	529,751	5.30	-	-	529,751	5.30
At 31 March 2014 (Proforma)	128,626,781	1,286.27	10,172	0.10	128,616,609	1,286.17
Issued during the year - Bonus issue	646,176,512	6,461.77	50,860	0.51	646,125,652	6,461.26
Issued during the year - Exercise of ESOP	6,563	0.06	-	-	6,563	0.06
Issued during the year - other than ESOP	1,676,916	16.77	-	-	1,676,916	16.77
At 31 March 2015 (Proforma)	776,486,772	7,764.87	61,032	0.61	776,425,740	7,764.26
Issued during the year - Exercise of ESOP	419,539	4.19	-	-	419,539	4.19
Issued during the year - other than ESOP	1,195,852	11.96	-	-	1,195,852	11.96
At 31 March 2016	778,102,163	7,781.02	61,032	0.61	778,041,131	7,780.41
Issued during the year - Exercise of ESOP	2,871,902	28.72	-	-	2,871,902	28.72
Issued during the year - other than ESOP	300,000	3.00	-	-	300,000	3.00
At 31 March 2017	781,274,065	7,812.74	61,032	0.61	781,213,033	7,812.13

Terms/rights attached to equity shares

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

Details of shareholders holding more than 5% shares in the company (No. of shares)

	As At March 31, 2017	As At March 31, 2016	As At March 31, 2015 Proforma	As At March 31, 2014 Proforma	As At March 31, 2013 Proforma
Equity shares of Rs. 10 each fully paid up					
Maplewood Investment Limited	192,908,118	192,908,118	192,908,118	32,151,353	32,151,353
Spank Management Services Private Limited	180,148,333	180,122,627	163,266,970	28,954,978	28,417,744
RJ Corp Limited	78,748,368	78,748,368	78,748,368	13,124,728	13,124,728
Five Star Hospitality Investment Limited	-	-	-	-	6,496,636
APG Strategic Real Estate Pool N.V.	118,730,914	118,730,914	102,880,914	7,466,819	7,466,819

Details of shareholders holding more than 5% shares in the company (% shareholding)

	As At March 31, 2017	As At March 31, 2016	As At March 31, 2015 Proforma	As At March 31, 2014 Proforma	As At March 31, 2013 Proforma
Maplewood Investment Limited	24.69%	24.79%	24.84%	25.00%	25.36%
Spank Management Services Private Limited	23.06%	23.15%	21.03%	22.51%	22.41%
RJ Corp Limited	10.08%	10.12%	10.14%	10.20%	10.35%
Five Star Hospitality Investment Limited	-	-	-	-	5.12%
APG Strategic Real Estate Pool N.V.	15.20%	15.26%	13.25%	5.81%	5.89%

Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 33

Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As At March 31, 2017	As At March 31, 2016	As At March 31, 2015 Proforma	As At March 31, 2014 Proforma	As At March 31, 2013 Proforma
Equity shares allotted as fully paid, pursuant to amalgamations	32,486,000	32,486,000	32,486,000	32,486,000	34,917,553
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	646,125,652	646,125,652	646,125,652	-	-

In addition, the company has issued total 4,884,737 shares ((March 31, 2016 : 3,048,468, March 31, 2015 : 2,656,166, March 31, 2014 : 1,313,170, March 31, 2013 : 1,261,437) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form

Lemon Tree Hotels Limited**Annexure V Notes to restated standalone financial information****15. Other equity**

Securities premium	Rs. (in million)
At 1 April 2012 (proforma)	3,211.17
Add: Premium on issue of shares	2,366.09
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	10.82
Add: Transferred from Stock Options Outstanding	2.89
Add: On merger with Spank Hotels Private Limited	1,591.08
Add: On merger with Spank Hotels Private Limited for shares issued during the period April 1, 2011 to March 31, 2012	242.79
Less: Adjustment on merger with Spank Hotels Private Limited	(308.62)
At 31 March 2013 (proforma)	7,116.22
Add: premium on issue of shares	34.18
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	77.07
Add: transferred from stock options outstanding	19.66
At 31 March 2014 (proforma)	7,247.13
Add: premium on issue of shares	73.26
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	1.12
Add: transferred from stock options outstanding	0.25
Less: amounts utilized toward issue of fully paid bonus shares	(6,461.26)
At 31 March 2015 (proforma)	860.50
Add: On issue of shares	7.77
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	1.37
Add: transferred from stock options outstanding	0.35
Increase/(decrease) during the year	
At 31 March 2016	869.99
Add: premium on issue of shares	3.45
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	17.62
Add: transferred from stock options outstanding	4.38
At 31 March 2017	895.44

Retained earnings	Rs. (in million)
At 1 April 2012 (proforma)	349.82
Profit/(loss) for the year	(207.51)

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information

On amalgamation (Refer note no. 43)	56.63
At 31 March 2013 (proforma)	198.94
Profit/(loss) for the year	143.75
At 31 March 2014 (proforma)	342.69
Profit/(loss) for the year	(9.54)
At 31 March 2015 (proforma)	333.15
At 1 April 2015 (Refer note 15 of Annexure VI)	340.60
Profit/(loss) for the year	(162.81)
At 31 March 2016	177.80
Profit/(loss) for the year	54.71
At 31 March 2017	232.51

General reserve	Rs. (in million)
At 1 April 2012 (proforma)	303.52
Increase/(decrease) during the year	-
At 31 March 2013 (proforma)	303.52
Increase/(decrease) during the year	-
At 31 March 2014 (proforma)	303.52
Increase/(decrease) during the year	-
At 1 April 2015 (Refer note 15 of Annexure VI)	303.52
Increase/(decrease) during the year	-
At 31 March 2016	303.52
Increase/(decrease) during the year	-
At 31 March 2017	303.52

Share-based payments	Rs. (in million)
At 1 April 2012 (proforma)	28.08
Add:- Provision/(reversal) for the year (Refer note 33)	18.50
Less:- Transferred to securities premium on exercise of stock options	(2.89)
At 31 March 2013 (proforma)	43.69
Add:- provision/(reversal) for the year (Refer note 33)	2.23
Less:- transferred to securities premium on exercise of stock options	(19.66)
At 31 March 2014 (proforma)	26.26
Add:- provision/(reversal) for the year (Refer note 33)	1.32
Less:- transferred to securities premium on exercise of stock options	(0.25)
At 31 March 2015 (proforma)	27.33
At 1 April 2015 (Refer note 15 of Annexure VI)	2.66
Add:- provision/(reversal) for the year (Refer note 33)	14.87
Less:- transferred to securities premium on exercise of stock options	(0.35)
At 31 March 2016	17.18
Add:- provision/(reversal) for the year (Refer note 33)	11.41

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Less:- transferred to securities premium on exercise of stock options	(4.38)
At 31 March 2017	24.21

Capital redemption reserve	Rs. (in million)
At 1 April 2012 (proforma)	4.50
Increase/(decrease) during the year	-
At 31 March 2013 (proforma)	4.50
Increase/(decrease) during the year	-
At 31 March 2014 (proforma)	4.50
Increase/(decrease) during the year	-
At 1 April 2015 (Refer note 15 of Annexure VI)	4.50
Increase/(decrease) during the year	-
At 31 March 2016	4.50
Increase/(decrease) during the year	-
At 31 March 2017	4.50

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Other reserves					
Securities premium	895.44	869.99	860.50	7,247.13	7,116.22
Retained earnings	232.51	177.80	340.60	342.69	198.94
General reserve	303.52	303.52	303.52	303.52	303.52
Share-based payments	24.21	17.18	2.66	26.26	43.69
Capital redemption reserve	4.50	4.50	4.50	4.50	4.50
Total	1,460.18	1,372.99	1,511.78	7,924.10	7,666.87

Notes:

General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paidup capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Share-based payments: The Group has two share option schemes under which options to subscribe for the Group's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 33 for further details of these plans.

Capital redemption reserve: The Companies Act provides that companies redeeming its preference shares at face value or nominal value is required to transfer an amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of

Security premium: Security premium comprises premium received on issue of shares

Retained earnings: Retained earnings comprise balances of profit and loss at each year end.

Lemon Tree Hotels Limited
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16. Borrowings

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Non-current borrowings					
Term Loans					
Indian rupee loans from Banks (Secured)					
Kotak Mahindra Bank Limited (Refer note 1, 2, 3 & 4 below)	151.40	221.60	74.67	61.67	-
Andhra Bank (Refer note 5 below)	217.12	240.93	264.75	470.70	498.59
The Ratnakar Bank Limited (Refer note 6 & 7 below)	462.95	515.41	556.98	571.84	292.45
Yes bank Limited (Refer note 8 below)	1,153.00	1,194.01	1,216.48	1,464.46	-
HDFC Bank Limited(Refer note 11 below)	202.74	-	-	-	-
IDBI Bank Limited (Refer note 13 below)	-	-	-	-	24.00
Union Bank of India (Refer note 15 below)	-	-	-	-	157.19
Vehicle loans (Refer note 9 below)	9.80	8.31	12.74	21.23	23.07
Foreign currency loan from banks (Secured)					
Axis Bank Limited (Refer note 14 below)	-	-	-	-	685.09
Rupee term loans from financial institutions (Secured)					
Aditya Birla Finance Limited (Refer note 10 below)	379.20	386.65	394.17	-	-
Tourism Finance Corporation of India Limited (Refer note 12 below)	-	205.69	224.60	33.12	48.07
IDFC Limited (Refer note 16 below)	-	-	-	-	560.44
Total non-current borrowings	2,576.21	2,772.60	2,744.39	2,623.02	2,288.90
Current borrowings					
Term Loans					
Indian rupee loans from Banks (Secured)					
Current maturity of long term loans					
Kotak Mahindra Bank Limited (Refer note 1, 2, 3 & 4 below)	72.30	72.30	20.00	20.00	12.43
Andhra Bank (Refer note 5 below)	24.00	24.00	15.00	27.70	14.75
The Ratnakar Bank Limited (Refer note 6 & 7 below)	53.28	42.36	15.00	15.00	7.50
Yes bank Limited (Refer note 8 below)	43.75	25.00	6.25	-	-
HDFC Bank Limited(Refer note 11 below)	4.20	-	-	-	-
IDBI Bank Limited (Refer note 13 below)	-	-	-	24.00	24.00
Axis Bank Limited (Refer note 14 below)	-	-	-	-	115.89
Union Bank of India (Refer note 15 below)	-	-	-	-	35.71
Vehicle loans (Refer note 9 below)	5.12	5.28	9.88	9.87	8.63
Foreign currency loan from banks (Secured)					
Axis Bank Limited (Refer note 14 below)	-	-	-	-	10.00
Rupee term loans from financial institutions (Secured)					
Aditya Birla Finance Limited (Refer note 10 below)	10.00	8.00	-	-	-
Tourism Finance Corporation of India Limited (Refer note 12 below)	-	19.26	17.14	17.14	17.14
IDFC Limited (Refer note 16 below)	-	-	-	-	75.00
Total current borrowings	212.65	196.20	83.27	113.71	321.05
Less: Amount clubbed under “other current liabilities”	(212.65)	(196.20)	(83.27)	(113.71)	(321.05)
Net current borrowings	-	-	-	-	-

Footnotes to Note 16 "Borrowings"

Rs in million

Note	Lender	Amount Sanctioned Rs. (in million)	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Carrying rate of Interest as at March 31, 2015	Carrying rate of Interest as at March 31, 2014	Carrying rate of Interest as at March 31, 2013	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Kotak Mahindra Bank Limited	100.00	12.30%	12.50%	13.00%	12.75% - 13.00%	12.75% - 13.00%	The loan is repayable in 60 monthly installments of Rs 1.67 Mn. each along with interest subsequently after disbursement beginning from April 2013.	The Term Loan is secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon. b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge. c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon. d) Personal Guarantee of Mr. Patanjali G. Keswani.
2	Kotak Mahindra Bank Limited	75.00	Nil	Nil	Nil	Nil	Interest rate @ base rate + 5.75% (Currently 12.5%)	The loan is repayable in 36 monthly installments of Rs 2.08 Mn. each along with interest subsequently after disbursement beginning from October 2010.	Prepayment charges: No prepayment penalty Default charges: 2% above the normal rate of interest
3	Kotak Mahindra Bank Limited	200.00	11.75%	11.95%	13.00%	Nil	Nil	The loan is repayable in 60 monthly installments post the end of the moratorium period.	
4	Kotak Mahindra Bank Limited	70.00	11.75%	11.95%	13.00%	Nil	Nil	The loan is repayable in 60 monthly installments.	
5	Andhra Bank	500.00	interest rate @ base rate + 1.25% + 0.50% (Currently 11.45%)	interest rate @ base rate + 1.25% + 0.50% (Currently 11.50%)	interest rate @ base rate + 3.50% (Currently 13.75%)	interest rate @ base rate + 3.50% (Currently 13.75%)	interest rate @ base rate + 3.75% (Currently 14%)	The loan is repayable in scattered quarterly installment beginning from March 2014. Interest is payable monthly as and when due.	It is secured by : (i) First pari-passu charge on all the Project's immovable properties (except land), present and future. (ii) First pari-passu charge by way of hypothecation of all the project's movables, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) First pari-passu charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities & subject to prior approval of the bank. (iv) First charge by way of assignment or creation of charge in favor of the lender of (a) All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; (b) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; (c) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents and ; (d) All insurance contracts/insurance proceeds; (v) Pari-passu charge along with the other lenders on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the substitution agreement, on pari-passu basis with other lenders. Prepayment charges: 2% over prepaid amount Default charges: 2% p.a.
6	The Ratnakar Bank Limited	300.00	interest rate @ 1 year MCLR rate+ 0.40% (Currently 10.25%).	interest rate @ base rate + 0.85% (Currently 11.50%).	interest rate @ base rate +2.75% (Currently 13.75%)	interest rate @ base rate +2.75% (Currently 13.65%)	interest rate @ base rate +2.75% (Currently 13.65%)	The loan is repayable in scattered quarterly installment beginning from March 2014. Interest is payable monthly as and when due.	It is secured by : (i) First charge on all the Project's immovable properties (except land), present and future subject to prior confirmation from panel advocates/Legal Department of the Bank. (ii) A first charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) A first charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities. (iv) First charge by way of assignment or creation of charge in favour of the lender of - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (v) Charges on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the Substitution Agreement. Prepayment charges: 2% of amount prepaid Default charges: 2% over and above applicable interest rate

Footnotes to Note 16 "Borrowings"

Rs in million

Note	Lender	Amount Sanctioned Rs. (in million)	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Carrying rate of Interest as at March 31, 2015	Carrying rate of Interest as at March 31, 2014	Carrying rate of Interest as at March 31, 2013	Repayment/ Modification of terms	Security/ Principal terms and conditions
7	The Ratnakar Bank Limited	300.00	interest rate @ 1 year MCLR rate+ 0.40% (Currently 10.25%).	interest rate @ base rate +1.55% (Currently 12.20%)	interest rate @ base rate +1.55% (Currently 12.55%)	interest rate @ base rate +1.55% (Currently 12.55%)	Nil	The loan is repayable in scattered quarterly installment beginning from June 2016. Interest is payable monthly as and when due	It is secured by : a) First pari passu charge on the current assets, entire movable fixed assets and immovable assets of the Hotel Lemon Tree, Udyog Vihar; Hotel Lemon Tree, Pune; Hotel Lemon Tree, Ahmedabad; Hotel Lemon Tree, Chennai; Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad. Prepayment charges: 2% of amount prepaid Default charges: 2% over and above applicable interest rate
8	Yes Bank Limited	1,250.00	interest rate @ 6 month's MCLR + 0.90% (Currently 9.50%)	interest rate @ base rate +1.80% (Currently 12.05%)	interest rate @ base rate +0.80% (Currently 12.55%)	interest rate @ base rate +0.80% (Currently 11.55%)	Nil	The loan is repayable in scattered quarterly installment beginning from December 2015. Interest is payable monthly as and when due	It is secured by : a) First pari passu charge on the current assets, entire movable fixed assets and immovable assets of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad. Prepayment charges: Nil Default charges: Additional interest of 2%
9	Vehicle loan (different banks)	-	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	These loans are repaid on agreed monthly installments.	Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans
10	Aditya Birla Finance Limited	400.00	interest rate @ benchmark rate + 2.30% (Currently 11.55%)	interest rate @ benchmark rate + 2.30% (Currently 11.80%)	interest rate @ benchmark rate + 2.30% (Currently 12.55%)	Nil	Nil	The loan is repayable in scattered quarterly installment beginning from December 2016. Interest is payable monthly as and when due.	It is secured by : a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore, Red Fox Hotel, Hyderabad Prepayment charges: 2% of amount prepaid Default charges:2% over the applicable interest rate
11	HDFC Bank Limited	210.00	interest rate @ for first year (MCLR for 3 years + 0.65 basis points) & 11.15% for remaining tenure of loan (MCLR for 3 years + 1.80 basis points) (Currently 9.70%)	Nil	Nil	Nil	Nil	The loan is repayable in 40 step-up quarterly installments.	It is secured by : a) First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and building thereon. b) A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts, operating cash flows, receivables, commissions, banks accounts (whenever held) if any-present & future all revenues c) Mortgage of leasehold rights of the projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) land admeasuring 0.46 acre (2241.38 sq yrd) and building thereon. Prepayment charges: 2% for initial 2 years and Nil thereafter Default charges: 2% p.a.
12	Tourism Finance Corporation of India Limited	210.00	Nil	interest rate @ TBR+0.75%P.A. (Currently 13.00%)	interest rate @ TBR+0.50%P.A. (Currently 13.50%)	interest rate @ TBR+0.50%P.A. (Currently 13.50%)	Nil	The loan was taken over by HDFC Bank with effect from 30.05.2016.	Below mentioned charge was satisfied on repayment of loan: a) First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and building thereon. Prepayment charges: Nil Default charges: 2% p.a.
13	IDBI Bank Limited	120.00	Nil	Nil	Nil	Nil	interest rate @ base rate +2.75% (Currently 13.65%)	The Loan is repayable in 20 quarterly installments of Rs 6,000,000 each along with interest starting from April'10.	The Loan is secured by first charge of mortgage of leasehold rights on the plot of land at 3, R.N.T Marg, Indore, Madhya Pradesh with all the buildings and structures thereon and first charge of hypothecation of all the movables of the Company at 3, R.N.T Marg, Indore, Madhya Pradesh subject to prior charge of bankers on specified movable assets for securing working capital facilities. Prepayment charges: 1% of prepaid amount Default charges: 2% p.a.
14	Axis Bank Limited	1,000.00	Nil	Nil	Nil	Nil	3.10%	The Loan is repayable in scattered quarterly installments beginning from April 2011 along with interest.	It is secured by way of (a) First pari passu charge on the escrow account in which all the revenues and receivables (including credit card receivable) of 6 Hotels/Projects (Gurgaon - City Center , Goa, Hinjewadi Pune, Ahmedabad, Chennai and Bangalore) will be deposited. (b) First pari - passu charge on all movable and immovable assets of the 6 hotels at Gurgaon - City Center, Goa , Hinjewadi Pune, Ahmedabad , Chennai and Bangalore. (c) Personal guarantee of Mr. Patanjali G. Keswani. (d) First pari -passu charge over Management Fee from Lemon Tree Hotels at Kaushambi and Bangalore Electronic city and from Resort at Alleppey, Kerala. (e) First pari passu charge on movables, escrow account, receivables and immovable properties of Lemon Tree Hotel at Udyog Vihar , Gurgaon. Prepayment charges: 2% plus tax of amount prepaid Default charges: 1% on overdue interest
15	Union Bank of India	250.00	Nil	Nil	Nil	Nil	bank prime lending rate+0.5% (Currently 13.50%)	The loan is repayable in 28 quarterly installment of Rs 8,928,572 along with interest beginning from September 2011.	(i) First charge on all fixed and current assets, both present and future, purchased out of the term loan sanctioned by the Bank. (ii) First charge on Hotel Project's book debts that includes book debts, outstanding monies, receivables, claims, bills contracts, securities, investments, rights and assets, both present and future. Prepayment charges: 2% of prepaid amount Default charges: 2% p.a.

Footnotes to Note 16 "Borrowings"

Rs in million

Note	Lender	Amount Sanctioned Rs. (in million)	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Carrying rate of Interest as at March 31, 2015	Carrying rate of Interest as at March 31, 2014	Carrying rate of Interest as at March 31, 2013	Repayment/ Modification of terms	Security/ Principal terms and conditions
16	IDFC Limited	750.00	Nil	Nil	Nil	Nil	400 basis points higher than the prevailing bank's prime lending rate (currently 12.78%)	The loan is repayable in scattered quarterly installment along with interest beginning from April 2011	(i) first pari passu mortgage and charge on the company's immovable properties present and future, pertaining to the Existing Projects along with the company's movable (including movable plant & machinery, machinery spares, tools and accessories, furniture, fixture, vehicle and all other movable assets present and future; cashflow, receivables, books debts, revenues of whatsoever nature and wherever arising present and future; all the rights, title, interest, benefit, claims and demands whatsoever of the company in the existing Projects ' Documents pertaining to the six Hotels/Projects (Gurgaon-City Center, Goa, Hinjewadi Pune, Ahmedabad, Chennai and Bangalore, including but not limited to insurance contracts), duly acknowledgement and consented to by the relevant counter - parties to such Existing Projects ', Documents, all as amended, varied or supplemented from time to time; all the rights, title, interest, benefits, claims and demands whatsoever of the Company, Trust and Relation Account / Escrow Account, any other bank accounts of the company wherever maintained; for the Existing Projects . (ii) first charge on the cash flows of Management Fee receivable of certain projects and assignment of Operation and Management Agreements along with the Escrow Account, and other bank accounts of the Company wherever maintained to record a charge on the Management Fees on which the Lender shall have a charge. (iii) first pari passu mortgage and charge on the Company's immovable properties, present and future, along with Company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents pertaining to Udyog Vihar, Gurgaon (including but not limited to insurance contracts), duly acknowledged and consented to by the relevant counter-parties to such Project Documents pertaining to Udyog Vihar, Gurgaon, all as amended, varied or supplemented from time to time; all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances, all the rights, title, interest, benefits, claims and demands whatsoever of the Company pertaining to Udyog Vihar, Gurgaon (iv) Personal Guarantee of Mr. Patanjali G. Keswani. Prepayment charges: 2% of prepaid amount Default charges: 2% p.a.

(i) The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date.

(ii) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio. The Company has complied with the covenants as per the terms of the loan agreement.

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information
17. Provisions

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million)	As at March 31, 2014 Rs. (in million)	As at March 31, 2013 Rs. (in million)
			Proforma	Proforma	Proforma
Provision for gratuity	9.54	9.15	7.43	6.25	5.34
Current	1.40	1.31	1.17	0.83	1.36
Non-current	8.14	7.84	6.26	5.42	3.98
	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million)	As at March 31, 2014 Rs. (in million)	As at March 31, 2013 Rs. (in million)
			Proforma	Proforma	Proforma
Provision for leave benefits	6.37	5.83	5.80	6.46	5.64
Current	6.37	5.83	5.80	6.46	5.64
Non-current	-	-	-	-	-
	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million)	As at March 31, 2014 Rs. (in million)	As at March 31, 2013 Rs. (in million)
			Proforma	Proforma	Proforma
Provision for litigations	2.85	1.95	-	-	-
Current	2.85	1.95	-	-	-
Non-current	-	-	-	-	-
Total current	10.62	9.09	6.97	7.29	7.00
Total non-current	8.14	7.84	6.26	5.42	3.98

18. Other Non-current liabilities

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million)	As at March 31, 2014 Rs. (in million)	As at March 31, 2013 Rs. (in million)
			Proforma	Proforma	Proforma
Reserve for lease equalisation	97.76	83.18	67.23	51.03	34.83
Total	97.76	83.18	67.23	51.03	34.83

Lemon Tree Hotels Limited
Annexure V Notes to restated standalone financial information

19. Financial liabilities

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
(i) Borrowings					
Cash credit from banks (Secured)	321.60	441.92	416.37	573.89	213.98
0% loan from Manakin Resorts Private Limited repayable on demand (Unsecured)	-	-	-	-	43.96
Working capital loan (Unsecured)	100.00	-	-	-	-
	<u>421.60</u>	<u>441.92</u>	<u>416.37</u>	<u>573.89</u>	<u>257.94</u>

- A The Cash credit facility and working capital loan from Kotak Mahindra Bank is repayable on demand and carries interest rate of 12.00% p.a. (March 31, 2016: 12.90% p.a., March 31, 2015: 13.75% p.a., March 31, 2014: 14.00% p.a., March 31, 2013: 14.25% p.a.) and is secured by way of:
- Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon.
 - Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge.
 - Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.
 - Personal Guarantee of Mr. Patanjali G. Keswani.
- B The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 10.70% p.a. (March 31, 2016: 12.05% p.a., March 31, 2015: 11.55% p.a., March 31, 2014: 12.55% p.a., March 31, 2013: Nil) and is secured by way of:
- First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahemdabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
(ii) Trade payables					
Trade Payables	368.67	313.99	294.61	216.58	73.56
	<u>368.67</u>	<u>313.99</u>	<u>294.61</u>	<u>216.58</u>	<u>73.56</u>

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
(iii) Other financial liabilities					
Current maturities of long-term borrowings	212.65	196.20	83.27	113.71	321.05
Interest accrued but not due on borrowings	0.22	1.64	1.64	4.59	4.88
Book overdraft	-	24.83	-	45.48	7.35
Other payables					
-Payable for capital goods	9.54	38.09	15.18	32.23	58.91
-Security deposits	-	-	1.13	13.88	11.46
Outstanding dues of other creditors	0.06	0.00	6.46	0.00	74.75
Total	<u>222.47</u>	<u>260.76</u>	<u>107.68</u>	<u>209.89</u>	<u>478.40</u>

20. Other current liabilities

	As at March 31, 2017 Rs. (in million)	As at March 31, 2016 Rs. (in million)	As at March 31, 2015 Rs. (in million) Proforma	As at March 31, 2014 Rs. (in million) Proforma	As at March 31, 2013 Rs. (in million) Proforma
Advance from customers	54.96	36.02	11.13	10.51	9.41
Deferred revenue- loyalty programme	0.53	0.67	1.82	1.67	1.43
Statutory dues	28.86	33.42	32.67	27.60	27.22
Share Application money pending allotment	-	-	-	-	39.48
Total	<u>84.35</u>	<u>70.11</u>	<u>45.62</u>	<u>39.78</u>	<u>77.54</u>

21. Revenue from operations

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
Sale of products and services					
- Room rental	1,312.12	1,180.84	1,093.87	938.97	964.83
- Food and beverage (excluding liquor and wine)	309.79	294.66	306.76	279.82	269.89
- Liquor and wine	32.34	29.48	28.71	29.32	35.44
- Banquet rentals	4.30	7.26	6.41	5.68	12.86
- Telephone and telex	2.55	3.48	4.61	5.35	6.99
- Other Services	157.99	143.04	145.52	117.95	107.06
Other Operating Revenue					
- Management fee	363.73	274.07	294.47	120.62	30.29
Revenue from operations (gross)	2,182.82	1,932.83	1,880.35	1,497.71	1,427.36

22. Other Income

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
Other income - recurring					
Income from serve for India scheme (Export incentives)	6.97	9.36	5.64	2.97	19.69
Rent received	1.44	1.29	0.18	-	-
Miscellaneous income	2.47	1.35	0.53	0.26	0.74
Other income - non recurring					
Profit on relinquishment of rights (Refer note 48 & 49)	43.95	-	-	444.00	-
Profit on sale of investment (Refer Note 46)	-	-	355.32	-	5.33
Excess provision/ credit balances written back	-	0.64	-	2.90	0.70
Total	54.83	12.64	361.67	450.13	26.46

23. Cost of food and beverages consumed

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
(a) Consumption of food & beverages excluding liquor & wine					
Inventory at the beginning of the year	4.80	3.35	4.18	4.31	2.85
Add: Purchases	125.63	121.20	120.63	106.90	124.81
	130.43	124.55	124.81	111.21	127.66
Less: Inventory at the end of the year	4.94	4.80	3.35	4.18	4.31
Cost of food and beverage consumed	125.49	119.75	121.46	107.03	123.35
(b) Consumption of liquor & wine					
Inventory at the beginning of the year	3.81	2.75	4.31	4.05	5.04
Add: Purchases	11.70	12.12	9.82	12.42	12.37
	15.51	14.87	14.13	16.47	17.41
Less: Inventory at the end of the year	2.91	3.81	2.75	4.31	4.05
Cost of liquor and wine consumed	12.60	11.06	11.38	12.16	13.36
Total	138.09	130.81	132.84	119.19	136.71

24. Employee benefit expense

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
Salaries, wages and bonus	410.14	386.13	413.83	363.79	322.17
Contribution to provident fund and other funds	17.36	16.10	17.17	15.55	14.63
Share based payments to employees	11.41	14.87	0.21	2.24	18.49
Gratuity expense	2.88	2.88	2.71	2.54	1.29
Leave compensation expenses	1.50	0.40	0.48	1.71	1.80
Staff welfare expenses	59.74	51.83	45.72	55.57	39.99
Total	503.03	472.21	480.12	441.40	398.37

Lemon Tree Hotels Limited
Notes to financial statements for the year ended March 31, 2017
25. Other Expenses

	For the year ended March 31, 2017 Rs. (in million)	For the year ended March 31, 2016 Rs. (in million)	For the year ended March 31, 2015 Rs. (in million) Proforma	For the year ended March 31, 2014 Rs. (in million) Proforma	For the year ended March 31, 2013 Rs. (in million) Proforma
Consumption of stores, cutlery, crockery, linen, provisions and others	60.43	62.33	64.07	60.16	51.16
Power and fuel	179.98	170.47	175.20	164.79	150.60
Guest transportation	39.25	42.39	45.65	52.24	43.47
Spa expenses	4.17	3.02	3.42	3.49	4.01
Subscription charges	3.59	3.86	6.24	15.02	17.50
Repair and maintenance					
- Buildings	28.55	12.40	10.91	8.43	27.87
- Plant and machinery	34.87	29.76	30.97	28.43	16.82
- Others	29.84	27.75	15.87	16.11	25.86
Rent	179.57	170.22	163.77	137.84	127.49
Rates and taxes	39.89	42.18	36.80	65.89	45.42
Insurance	5.13	4.66	4.39	4.30	5.45
Communication costs	51.59	53.28	45.53	46.33	35.32
Printing and stationery	11.53	10.56	11.16	10.93	10.45
Traveling and conveyance	9.47	12.52	11.23	11.97	14.07
Vehicle running and maintenance	8.20	9.59	12.94	14.28	22.71
Advertisement and business promotion	17.30	11.84	21.71	18.60	21.72
Architect and design fee	114.07	99.73	142.64	49.78	-
Commission -other than sole selling agent	23.24	19.73	12.20	7.02	7.69
Security and cleaning expenses	40.15	31.04	31.31	29.02	25.33
Membership and subscriptions	3.35	2.70	1.58	2.31	2.15
Legal and professional fees	46.58	45.61	49.82	37.76	34.23
Advances written off	-	-	-	0.12	-
Freight and cartage	1.50	1.92	1.94	2.20	1.64
Exchange difference (net)	-	-	-	0.12	0.28
Donations	0.03	0.19	0.10	1.47	0.59
Loss on sale of property, plant and equipment	2.01	2.06	2.55	2.02	4.27
Provision for doubtful debts	1.16	0.67	-	-	-
Loss on slump sale (Also refer Note 44)	-	-	32.45	-	-
Payment to auditor	4.20	4.72	3.94	3.81	3.75
Miscellaneous expenses	6.85	5.74	6.79	7.57	4.49
Total	946.50	880.94	945.18	802.01	704.34

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26. Finance Costs

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
	Rs. (in million)	Rs. (in million)	Rs. (in million) Proforma	Rs. (in million) Proforma	Rs. (in million) Proforma
Interest					
- on term loans from banks	343.94	282.57	340.51	301.83	290.26
- on loans from others	0.78	79.64	61.16	24.12	-
- on vehicle loans	1.43	1.94	3.02	3.90	3.25
- on other credit facilities from banks	47.50	46.59	39.52	14.16	14.95
- on income tax	0.00	0.01	0.02	0.04	0.06
Prepayment charges	4.22	0.16	2.41	0.06	-
Bank charges (including commission on credit card collection)	14.69	14.87	15.18	14.36	13.82
Total	412.56	425.78	461.82	358.47	322.34

27. Finance income

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
	Rs. (in million)	Rs. (in million)	Rs. (in million) Proforma	Rs. (in million) Proforma	Rs. (in million) Proforma
Finance income - Recurring					
Interest Income on :					
-Bank Deposits	3.13	2.82	2.59	2.94	2.70
-Others	33.84	20.39	29.68	21.44	11.83
Finance income - Non- Recurring					
Interest Income on :					
- Inter corporate deposits	-	-	-	97.09	-
Dividend income on mutual funds	-	-	-	-	3.41
Total	36.97	23.21	32.27	121.47	17.94

28. Depreciation and Amortization Expense

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
	Rs. (in million)	Rs. (in million)	Rs. (in million) Proforma	Rs. (in million) Proforma	Rs. (in million) Proforma
Depreciation of tangible assets	208.30	213.99	219.40	180.98	135.42
Amortization of intangible assets	3.27	3.95	7.72	5.74	6.42
Depreciation on investment properties	0.44	0.44	0.44	0.00	-
Total	212.01	218.38	227.56	186.72	141.84

29. Earnings per share (Basic and Diluted)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
			Proforma	Proforma	Proforma
Computation of earning per share (basic and diluted)					
Profit / (loss) from continuing operations after tax (A) (Rs. In million)	53.52	(163.36)	(13.32)	90.18	(236.24)
Profit / (loss) from discontinuing operations after tax (B) (Rs. In million)	-	-	2.92	52.64	32.80
Profit / (loss) for the year (Rs. In million)	53.52	(163.36)	(10.40)	142.82	(203.44)
Weighted Average Number of Equity Shares (for basic and diluted)*	779,627,716	777,246,165	776,486,772	770,742,798	706,966,895
Basic & Diluted EPS (in Rs.)					
Computed on the basis of profit from continuing operations	0.07	(0.21)	(0.02)	0.12	(0.33)
Computed on the basis of total profit for the year	0.07	(0.21)	(0.01)	0.19	(0.29)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year.

* During the year ended March 31, 2015, the Company has allotted 646,125,652 number of equity shares as fully paid up bonus shares. The Weighted average number of equity shares of the previous years has been accordingly adjusted by 642,285,665 equity shares while computing basic and diluted earning per shares.

30. Significant accounting judgments, estimates and assumptions

The preparation of the Company's restated standalone financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the restated standalone financial information:

Operating lease commitments – Company as lessee

The Company has taken certain land and land and building on long term lease basis. The lease agreements generally have an escalation clause. These leases are generally non-cancellable. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life/ remaining economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Further, the Company based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalations (generally 15% every 3 years or 20% every 4 years) are aligned to the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straight-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the restated standalone financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 35 for further disclosures).

Taxes

The Company recognizes Deferred tax assets (including MAT credit) to the extent of deferred tax liability. While, the management based on its assessment of the industry forecasts and current year profits is hopeful of generating future taxable profits to utilize these losses, it has recognised deferred tax assets only to the extent of deferred tax liabilities considering the Company does not meet Ind AS 12 criteria for recognition of deferred tax assets and accordingly the Company has not recognised deferred tax assets of Rs. 302.33 million, Rs. 304.85 million, Rs. 362.35 million, Rs. 424.54 million and Rs. 489.44 million as of March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 respectively on remaining unused tax losses/MAT credits. Further disclosure of taxes is disclosed in Note 8.

31. Gratuity

	As at March 31, 2017 Rs. (In million)	As at March 31, 2016 Rs. (In million)	As at March 31, 2015Proforma Rs. (In million)	As at March 31, 2014Proforma Rs. (In million)	As at March 31, 2013Proforma Rs. (In million)
Gratuity plan	9.54	9.15	7.43	6.25	5.34
Total	9.54	9.15	7.43	6.25	5.34

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to an amount based on the respective employee's last drawn salary and the number of years of employment with the company. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

- Investment risk
The most of the Indian defined benefit plans are funded with Life Insurance Corporation of India. The Company does not have any liberty to manage the fund provided to Life Insurance Corporation of India.
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Company's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.
- Interest risk
A decrease in the interest rate on plan assets will increase the plan liability.
- Longevity risk/life expectancy
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
- Salary growth risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan. Such a review includes the asset – liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the result of this annual review.

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

Changes in the defined benefit obligation over the period are as follows:

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015Proforma Rs. (In million)	March 31, 2014Proforma Rs. (In million)	March 31, 2013Proforma Rs. (In million)
Fair Value of defined benefit obligation at the beginning of the year/period	20.50	19.25	17.33	15.84	10.73
Service cost	2.20	2.07	2.08	2.06	1.98
Net interest expense / income	1.50	1.50	1.18	1.25	0.24
Benefits paid	(0.82)	(1.79)	(0.48)	(0.95)	(1.22)
Return on plan assets (excluding amounts included in net interest expense)	-	-	-	-	-
Remeasurement changes arising from changes in demographic assumptions	-	-	-	-	-
Remeasurement changes arising from changes in financial assumptions	0.38	0.24	0.43	(0.37)	0.30
Experience adjustments	(1.85)	(0.77)	(1.29)	(0.50)	3.82
Contributions by employer	-	-	-	-	-
Fair Value of defined benefit obligation at the end of the year/period	21.91	20.50	19.25	17.33	15.85

Changes in the fair value of plan assets over the period are as follows:

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015Proforma Rs. (In million)	March 31, 2014Proforma Rs. (In million)	March 31, 2013Proforma Rs. (In million)
Fair Value of plan assets at the beginning of the year/period	11.35	11.81	11.09	10.50	9.82
Net interest expense/income	0.83	0.92	0.96	0.82	0.85
Benefits paid	(0.68)	(1.79)	(0.48)	(0.92)	(0.43)
Return on plan assets (excluding amounts included in net interest expense)	0.02	0.02	0.04	0.10	0.05
Contributions by employer	0.85	0.39	0.21	0.58	0.22
Fair Value of plan assets at the end of the year / period	12.37	11.35	11.82	11.08	10.51

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Unquoted investments:					
Asset invested in insurance scheme with the LIC	100%	100%	100%	100%	100%
Total	100%	100%	100%	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Discount rate:					
Gratuity plan	6.50%	7.30%	7.80%	8.70%	7.90%
Future salary increases:					
Gratuity plan	5.00%	5.00%	5.00%	5.00%	5.00%
Life expectation for pensioners at the age of 65:	Years	Years	Years	Years	Years
Pension plan					
Male	60	60	60	60	60
Female	60	60	60	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is as shown below:

India gratuity plan:

	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	4.74	5.00	5.03	4.85

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

A quantitative sensitivity analysis for significant assumption as at March 31, 2016 is as shown below:

	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	4.76	5.01	5.08	4.91

A Proforma quantitative sensitivity analysis for significant assumption as at March 31, 2015 is as shown below:

	March 31, 2015Proforma	March 31, 2015 Proforma	March 31, 2015 Proforma	March 31, 2015 Proforma
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.47	0.50	0.51	0.49

A Proforma quantitative sensitivity analysis for significant assumption as at March 31, 2014 is as shown below:

	March 31, 2014Proforma	March 31, 2014 Proforma	March 31, 2014 Proforma	March 31, 2014 Proforma
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.44	0.46	0.48	0.46

A Proforma quantitative sensitivity analysis for significant assumption as at March 31, 2013 is as shown below:

	March 31, 2013Proforma	March 31, 2013 Proforma	March 31, 2013 Proforma	March 31, 2013 Proforma
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.42	0.44	0.45	0.44

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Duration (Years)	For the year ended March 31, 2017 Rs. (In million)	For the year ended March 31, 2016 Rs. (In million)	For the year ended March 31, 2015 Proforma Rs. (In million)	For the year ended March 31, 2014 Proforma Rs. (In million)	For the year ended March 31, 2013 Proforma Rs. (In million)
1	5.83	5.75	5.37	4.85	4.43
2	11.19	4.40	4.31	3.89	3.46
3	1.88	8.18	3.35	3.17	2.79
4	1.59	1.47	5.99	2.50	2.27
5	1.33	1.23	1.15	4.34	1.76
Above 5	3.93	3.89	3.87	3.73	5.52
Total expected payments	25.75	24.92	24.04	22.48	20.23

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2016: 5 years, March 31, 2015: 5 years, March 31, 2014: 5 years, March 31, 2013: 5 years).

32. Commitments and contingencies**a. Leases****Operating lease commitments — Company as lessee**

The Company has entered into operating leases on hotel buildings, with lease terms between twenty three and thirty years.

The Company has recognised the following expenses as rent in the statement of Profit & Loss towards minimum lease payment.

Particulars	As at March 31, 2017 Rs. (In million)	As at March 31, 2016 Rs. (In million)	As at March 31, 2015Proforma Rs. (In million)	As at March 31, 2014 Proforma Rs. (In million)	As at March 31, 2013 Proforma Rs. (In million)
Lease Rent on Hotel Properties	149.35	141.21	125.53	98.88	90.63
Rent on Office Premises	3.68	2.52	2.08	1.67	8.95
Rent of staff hostel/Others	11.97	10.55	7.29	8.57	7.95
Total	165.00	154.28	134.90	109.12	107.53

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

Future minimum rentals payable under non-cancellable operating leases as at year end are, as follows:

Particulars	As at March 31, 2017Rs.(In million)	As at March 31, 2016 Rs. (In million)	As at March 31, 2015Proforma Rs. (In million)	As at March 31, 2014 Proforma Rs. (In million)	As at March 31, 2013 Proforma Rs. (In million)
Minimum Lease Payments :					
Not later than one year	107.03	105.31	100.29	92.49	91.38
Later than one year but not later than five years	456.50	437.43	428.05	380.10	374.26
Later than five years	3,570.92	3,696.60	3,809.22	3,274.81	3,371.46
Total	4,134.45	4,239.34	4,337.56	3,747.40	3,837.10

b. Commitments**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

Estimated amount of contracts remaining to be executed and not provided for March 31, 2017: Rs. 256.43 million (March 31, 2016: Rs. 286.49 million, March 31, 2015: Rs.414.90 million, March 31, 2014: Rs. 248.69 million, March 31, 2013: Rs. 600.46 million).

c. Contingent liabilities**Legal claim contingency**

	As at March 31, 2017 Rs. (In million)	As at March 31, 2016 Rs. (In million)	As at March 31, 2015Proforma Rs. (In million)	As at March 31, 2014 Proforma Rs. (In million)	As at March 31, 2013 Proforma Rs. (In million)
Income tax	6.80	-	-	34.29	34.29
Matter of service tax credit	21.73	20.08	28.72	30.76	-
Luxury tax	3.60	3.60	3.60	3.60	-
VAT	4.35	-	-	-	-
Total	23.68	23.68	32.32	68.65	34.29

The Company's pending litigations above pertain to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its restated standalone financial information.

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

- (d) The Company had received a show cause notice dated April 25, 2014 from Collector of Stamps, Delhi ('Department'), wherein the department was of the view that prima facie the Company has not paid stamp duty as per Indian Stamp Act, 1899 on right to use the land given by Delhi International Airport (P) Ltd. (DIAL) under the Development Agreement dated May 25, 2009 ('DA'). The Company contested the matter and the Department pursuant to the response received from all the developers of area where the Company's project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Company and its directors received show cause notice dated August 14, 2014 from the Department as to why criminal prosecution for non- payment of requisite stamp duty should not be initiated against them. The Company along with certain other developers had filed a writ petition before the Honorable High Court of Delhi (HC) and the HC vide its order dated August 25, 2014 has granted ex- parte interim stay from all proceedings under the Order including the said show cause notice dated August 14, 2014. The next date of hearing before the HC is scheduled for August 28, 2017. The Company, based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Company on this ground and further, any liability cannot be ascertained at this stage requiring any adjustment in these restated standalone financial information.

(e) Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of term loan facilities availed by its group companies for construction of new hotel project. In accordance with the policy of the Company (refer note 2.2(p) the Company has designated such guarantees as 'Insurance Contracts'. The Company has classified financial guarantees as contingent liabilities. Further the Company has also assessed the fair values of these guarantees and believes that there are no assets and liabilities to be recognized in the balance sheet under these contracts.

Refer below for details of the financial guarantees issued:

	As at March 31, 2017 Rs. (In million)	As at March 31, 2016 Rs. (In million)	As at March 31, 2015 Proforma Rs. (In million)	As at March 31, 2014 Proforma Rs. (In million)	As at March 31, 2013 Proforma Rs. (In million)
Canary Hotels Private Limited	250.00	250.00	250.00	250.00	260.00
Hyacinth Hotels Private Limited	860.50	860.50	860.50	930.00	930.00
Sukhsagar Complexes Private Limited	450.00	450.00	450.00	450.00	280.00
Oriole Dr. Fresh Hotels Private Limited	250.00	250.00	220.00	230.00	230.00
Nightingale Hotels Private Limited	600.00	600.00	550.00	550.00	-
Fleur Hotels Private Limited	1,350.00	1,350.00	-	-	-
Meringue Hotels Private Limited	2,200.00	-	-	-	-
Total	5,960.50	3,760.50	2,330.50	2,400.00	1,700.00

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information****33. Employee Stock Option Plans:****a) Stock options granted on and after April 1, 2005.**

The Company has provided various share-based payment schemes to its employees. During the year ended March 31, 2017 the following schemes were in operation:

	Plan 1 (2005)	Plan 2 (2006)
Date of grant	November 15, 2005 and April 1, 2006	September 1, 2006, April 1, 2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015
Date of Board Approval of plan	September 23' 2005	July 18' 2006
Date of Shareholder's approval of plan	November 15' 2005	August 25, 2006
Number of options granted	387,300	12,762,207
Method of Settlement	Equity	Equity
Vesting Period	12-48 months	12-48 months
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	Vesting Schedule	
	Plan 1 (2005)	Plan 2 (2006) *
On completion of 12 months	30%	10%
On completion of 24 months	20%	20%
On completion of 36 months	20%	30%
On completion of 48 months	30%	40%

* All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on 12th January 2009 and 328,008 ESOP's granted on April 1, 2012 for which specific vesting schedule was decided.

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

The details of activity under Plan 1 (2005) have been summarized below:

	2016-17		2015-16		2014-15 Proforma		2013-14 Proforma		2012-13 Proforma	
	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)
Outstanding at the beginning of the year	9,000	3.38	9,000	3.38	1,500	20.25	1,500	20.25	1,500	20.25
Granted during the year	-	-	-	-	-	-	-	-	-	-
Bonus issued during the year	-	-	-	-	7,500	-	-	-	-	-
Forfeited during the year	9,000	3.38	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	-	-	9,000	3.38	9,000*	3.38*	1,500	20.25	1,500	20.25
Exercisable at the end of the year	-	-	-	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	1.00	-	1.00	-	1.00	-	1.00	-
Weighted average fair value of options granted during the year	-	-	-	-	-	-	-	-	-	-

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

The details of activity under Plan 2 (2006) have been summarized below:

	2016-17		2015-16		2014-15 Proforma		2013-14 Proforma		2012-13 Proforma	
	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)	Number of options	Weighted average exercise price Rs. (In million)
Outstanding at the beginning of the year	11,069,974	19.26	3,456,282	14.65	710,494	90.73	2,338,276	81.97	1,720,723	63.81
Granted during the year	-	-	8,205,000	21.50	-	-	-	-	966,775	83.24
Bonus issued during the year	-	-	-	-	3,495,047*	-				
Forfeited during the year	383,394	20.84	171,769	18.10	691,836	18.03	314,874	114.26	126,519	98.35
Exercised during the year	2,871,902	15.74	419,539	12.94	57,423	20.56	1,312,908	68.91	222,703	60.03
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	7,814,678	20.53	11,069,974	19.26	3,456,282	14.65	710,494	90.73	2,338,276	81.97
Exercisable at the end of the year	2,341,593	20.32	3,685,476	16.19	2,071,607	14.32	195,307	74.25	1,198,110	65.17
Weighted average	2.60	-	3.46	-	3.42	-	4.53	-	5.91	-

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

remaining contractual life (in years)										
Weighted average fair value of options granted during the year	-	-	-	-	-	-	-	-	966,775	23.20

*During the year ended March 31, 2015, the Company has issued equity shares twice as bonus issue in the proportion of 2 equity shares for every 1 fully paid up equity share and 1 equity share for every 1 fully paid up equity share respectively. As per the aforesaid plan, the number of options not yet vested as on the balance sheet date has been accordingly increased and weighted average exercise price has been accordingly decreased.

The details of exercise price for stock options outstanding at the end of the year are:

	Range of exercise prices (Rs. In million)		Number of options outstanding		Weighted average remaining contractual life of options (in years)		Weighted average exercise price (Rs. in million)	
	Plan 1	Plan 2	Plan 1	Plan 2	Plan 1	Plan 2	Plan 1	Plan 2
As at March 31, 2017	-	10.00-21.50	-	7,814,678	-	2.6	-	15.74
As at March 31, 2016	3.38	10.00-16.50	9,000	11,069,974	1	3.46	3.38	12.94
As at March 31, 2015 Proforma	3.38	2.93-20.56	9,000	3,456,282	1	3.42	3.38	20.56
As at March 31, 2014, Proforma	20.25	17.60-117	1,500	710,494	1	4.53	20.25	68.91
As at March 31, 2013, Proforma	20.25	17.60-117	1,500	2,338,276	1	5.91	20.25	60.03

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information****Stock Options granted**

The weighted average fair value of stock options granted during the year was Nil, Rs4.78, Nil, Nil and Rs. 23.20 for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively. The Black Scholes model has been used for computing the weighted average fair value considering the following inputs:

	Plan 1 (2005)					Plan 2 (2006)				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
Weighted average share price	-	-	-	-	-	-	16.50	-	-	60.49
Exercise Price	-	-	-	-	-	-	21.50	-	-	32.50- 126
Volatility	-	-	-	-	-	-	10%	-	-	10%
Life of the options granted in years	-	-	-	-	-	-	8	-	-	8
Expected dividends	-	-	-	-	-	-	-	-	-	-
Average risk-free interest rate	-	-	-	-	-	-	7.99%	-	-	8.61%
Expected dividend rate	-	-	-	-	-	-	-	-	-	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Lemon Tree Hotels Limited

Annexure V- Notes to restated standalone financial information

34. In compliance with Ind AS 24 - “Related Party Disclosures”, as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 therequired disclosures are given in the table below:

Related party	Nature of relationship				
	March 31, 2017	March 31, 2016	March 31, 2015Proforma	March 31, 2014Proforma	March 31, 2013Proforma
Begonia Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Carnation Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Celsia Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Citrus Hotels Private Limited (merged with Fleur Hotels Private Limited)	-	-	Subsidiary	Subsidiary	Subsidiary
Fleur Hotels Private Limited (formerly known as Cyberhills Developers Private Limited)	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Dandelion Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Hyacinth Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Lemon Tree Hotel Company Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Manakin Resorts Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Meringue Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
PSK Resorts & Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Nightingale Hotels Private Limited.	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Oriole Dr. Fresh Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Red Fox Hotel Company Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Sukhsagar Complexes Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Pelican Facilities Management Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Grey Fox Project Management Company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Canary Hotels Private Limited (w.e.f. May 18, 2012)	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Canary Hotels Private Limited (upto May 18, 2012)	-	-	-	-	Joint Ventures
Valerian Management Services Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	-
Ophrys Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	-
Iora Hotels Private Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	-
Inovoa Hotels and Resorts Limited	Subsidiary	Subsidiary	Subsidiary	Subsidiary	-
Mr. Patanjali Govind Keswani (Chairman and Managing Director)	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel

Lemon Tree Hotels Limited
Annexure V- Notes to restated standalone financial information

Related party	Nature of relationship				
	March 31, 2017	March 31, 2016	March 31, 2015Proforma	March 31, 2014Proforma	March 31, 2013Proforma
Rahul Pandit (President & Executive Director) upto May 8, 2015	-	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel
Rattan Keswani (Deputy Managing Director) (w.e.f. January 1, 2014)	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	-
Mrs. Sharanita Keswani Director (upto February 19, 2015)	-	-	Key Management Personnel	Key Management Personnel	Key Management Personnel
Mrs. Sharanita Keswani wife of Mr. Patanjali Govind Keswani	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel
Mrs. Sharanita Keswani (relative of Mr. Aditya Madhav Keswani)	Relatives of key management personnel	-	-	-	-
Mrs. Lillete Dubey (sister of Mr. Patanjali Govind Keswani).	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel
Mr. Sanjeev Kaul Duggal(Independent Director)	Key Management Personnel	-	-	-	-
Mr. Gopal Sitaram Jiwarajka (Independent Director)	Key Management Personnel	-	-	-	-
Mr. Ravi Kant Jaipuria (Director)	Key Management Personnel	-	-	-	-
Mr. Niten Malhan(Director)	Key Management Personnel	-	-	-	-
Mr. Sachin Doshi(Director)	Key Management Personnel	-	-	-	-
Ms. Ila Dubey(Director)	Key Management Personnel	-	-	-	-
Mr. Aditya Madhav Keswani(Director)	Key Management Personnel	-	-	-	-
Spank Management Services Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Toucan Real Estates Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

Related party	Nature of relationship				
	March 31, 2017	March 31, 2016	March 31, 2015Proforma	March 31, 2014Proforma	March 31, 2013Proforma
Head Start Institute Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Mr. Kapil Sharma	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer	-	-
Mrs. Suman Singh (Upto 30 June 2016)	Company Secretary	Company Secretary	Company Secretary	-	-
Mr. Nikhil Sethi (Wef 12 December 2016)	Company Secretary	-	-	-	-

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
Begonia Hotels Private Limited					
- Amount Received on Behalf of Party by the Company	-	3.12	16.08	-	-
- Reimbursement of expenses paid on behalf of party	0.09	1.52	14.01	-	-
- Loan Given	-	-	115.00	-	-
- Repayment of Loan Given	-	115.00	-	-	-
- Slump sale	-	-	20.00	-	-
Canary Hotels Private Limited	-	-	-	-	-
- Amount Received on Behalf of Party by the Company	-	-	-	0.20	1.28
- Amount Received by the Party on behalf of the company	-	-	-	1.49	1.91
- Reimbursement of expenses paid on behalf of party	-	-	-	1.33	0.75
- Guarantees given for Loan Taken By	250.00	250.00	250.00	250.00	260.00
- Subscription to Preference Share Capital	8.00	19.00	5.00	-	135.00
- Loans (given)	-	-	-	256.62	35.00
- Repayment of Loan Given	-	-	-	277.32	16.25
-Subscription to Equity Share Capital	-	-	-	-	150.23
- Balances outstanding at the year end	-	-	-	-	19.38
Carnation Hotels Private Limited					
- Amount Received by the Party on behalf of the company	-	-	-	-	0.25
- Loans (given)	82.05	-	-	-	-
- Interest Received	-	-	-	0.57	-
- Reimbursement of expenses paid on behalf of party	0.84	0.47	0.19	-	0.2
- Repayment of Loan Given	20.90	-	35.80	-	-

Lemon Tree Hotels Limited
Annexure V- Notes to restated standalone financial information

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
- Balances outstanding at the year end	61.24	-	-	-	-
Celsia Hotels Private Limited					
- Interest paid (Net of TDS)	-	-	4.17	16.66	-
- Loan (Repaid)	-	-	356.86	2,396.70	-
- Loans (taken)	-	-	352.50	2,396.50	-
- Loans (given)	-	-	-	-	3.20
- Amount Received by the Party on behalf of the company	-	-	-	0.35	-
- Amount Received on behalf of party by the company	-	-	-	0.81	3.35
- Repayment of Loan Given	-	-	-	-	39.28
- Management Fees Received (including Service Tax)	23.79	17.67	14.03	12.45	12.23
- Balances Outstanding at year end	-	-	-	-	2.99
Citrus Hotels Private Limited	-	-	-	-	-
- Purchase of Investment Property	-	-	-	24.50	-
- Repayment of Loan Given	-	-	-	463.52	0.40
- Balances outstanding at the year end	-	-	-	-	462.14
Dandelion Hotels Private Limited	-	-	-	-	-
- Sale of shares of Meringue Hotels Private Limited	-	-	14.39	-	-
- Loans (given)	72.50	17.50	15.00	-	-
Fleur Hotels Private Limited	-	-	-	-	-
- Amount Received by the Party on behalf of the company	-	6.36	3.01	0.34	0.15
- Amount Received on Behalf of Party by the Company	-	7.46	8.42	1.08	0.67
- Loans (given)	-	-	-	-	70.20
- Repayment of Loan Given	-	-	-	-	70.55
- Guarantees given for Loan Taken By	1,350.00	1,350.00	-	-	-
- Reimbursement of expenses incurred on company's	1.71	2.81	1.57	5.38	4.19

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Annexure V- Notes to restated standalone financial information

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
behalf					
- Reimbursement of expenses paid on behalf of party	0.57	1.27	2.51	2.49	0.02
- Sale of shares of Hyacinth Hotels Private Limited	-	-	1,121.80	-	-
- Subscription to Equity Share Capital	-	105.00	1,884.25	800.00	308.91
- Management Fees Received (including Service Tax)	226.94	52.52	231.55	103.16	16.57
- Relinquishment of rights	-	-	-	804.00	-
Grey Fox Project Management Company Private Limited	-	-	-	-	-
- Services obtained(Net of TDS)	24.05	23.32	22.19	8.29	-
- Interest Received	-	-	-	2.50	-
- Transfer Of Gratuity & Leave Encashment	-	-	-	-	1.02
- Subscription to Preference Share Capital	-	5.00	37.00	-	-
HeadStart Institute Private Limited	-	-	-	-	-
- Training Fees Paid	-	-	0.26	15.14	13.72
Hyacinth Hotels Private Limited	-	-	-	-	-
- Amount Received by the Party on behalf of the company	-	5.65	19.44	0.33	-
- Amount Received on Behalf of Party by the Company	-	7.22	6.42	-	-
- Guarantees given for Loan Taken By	860.50	860.50	860.50	930.00	930.00
- IDC Charges	-	-	-	-	21.63
- Lease Rent Paid	17.31	17.90	16.72	15.85	49.63
- Loans (given)	-	-	0.30	485.29	322.36
- Repayment of Loan Given	-	-	712.81	-	-
- Management Fees Received (including Service Tax)	44.57	33.81	15.35	-	-
- Reimbursement of expenses paid on behalf of party	-	-	-	3.64	0.03
- Reimbursement of expenses incurred on company's behalf	27.63	24.57	20.94	7.47	0.01
- Balances outstanding at the year end	385.37	389.57	378.83	1,127.36	667.11

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
Iora Hotels Private Limited.	-	-	-	-	-
- Management Fees Received (including Service Tax)	97.75	119.70	56.18	-	-
Manakin Resorts Private Limited	-	-	-	-	-
- Loan (Repaid)	-	-	3.90	44.36	30.71
- Loans (taken)	-	-	-	-	35.70
- Interest paid (Net of TDS)	-	-	-	3.90	-
Meringue Hotels Private Limited	-	-	-	-	-
- Guarantees given for Loan Taken By	2,200.00	-	-	-	-
- Loans (given)	-	2.00	196.10	154.45	308.40
- Repayment of Loan Given	-	-	-	89.00	67.30
- Interest Received	-	-	-	66.85	-
- Balances outstanding at the year end	963.97	963.97	961.97	824.87	692.57
Mr. Kapil Sharma	-	-	-	-	-
- Remuneration paid	6.53	6.02	5.22	-	-
Mr. Nikhil Sethi	-	-	-	-	-
- Remuneration paid	0.88	-	-	-	-
Mr. Patanjali G Keswani	-	-	-	-	-
- Remuneration paid	33.20	34.83	31.34	29.45	16.54
- Fees for professional services	-	-	-	4.04	9.10
Mr. Rahul Pandit	-	-	-	-	-
- Remuneration paid	-	1.41	7.22	-	-
Mr. Rattan Keswani	-	-	-	-	-
- Remuneration paid	2.02	13.07	20.64	3.77	-

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Annexure V- Notes to restated standalone financial information

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
Mrs. Sharanita Keswani	-	-	-	-	-
- Fees for professional services	4.20	4.36	3.64	3.64	1.76
Mrs. Suman Singh	-	-	-	-	-
- Remuneration paid	0.47	1.52	1.23	-	-
Ms. Lillette Dubey	-	-	-	-	-
- Rent paid	-	-	-	0.68	0.67
Mr. Rahul Pandit	-	-	-	-	-
- Interest Received	-	-	-	-	0.00
- Remuneration paid	-	-	-	7.23	0.09
Nightingale Hotels Private Limited	-	-	-	-	-
- Amount Received by the Party on behalf of the company	0.80	0.35	-	-	-
- Guarantees given for Loan Taken By	600.00	600.00	550.00	550.00	-
- Management Fees Received (including Service Tax)	21.09	13.60	0.33	-	-
- Reimbursement of expenses paid on behalf of party	0.01	-	11.59	1.19	-
- Loans (given)	-	-	-	39.88	1,462.60
- Repayment of Loan Given	-	-	393.72	-	1,348.10
- Interest Received	-	-	-	5.05	-
- Balances outstanding at the year end	-	-	-	188.15	142.03
Oriole Dr. Fresh Hotels Private Limited	-	-	-	-	-
- Management Fees Received (including Service Tax)	-	-	-	2.12	5.23
- Guarantees given for Loan Taken By	250.00	250.00	220.00	220.00	230.00
- Loans (given)	-	121.45	75.63	-	-
- Reimbursement of expenses paid on behalf of party	1.09	-	1.17	-	-
- Repayment of Loan Given	247.00	5.00	13.60	-	-

Lemon Tree Hotels Limited
Annexure V- Notes to restated standalone financial information

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
- Interest Received	-	-	-	12.40	-
- Balances outstanding at the year end	84.83	331.83	215.47	151.75	120.40
Spank Management Services Private Limited	-	-	-	-	-
- Services obtained(Net of TDS)	71.06	38.46	62.99	24.66	-
- Loans (taken)	-	-	-	117.00	-
- Loan (Repaid)	-	-	-	117.00	-
- Interest paid (Net of TDS)	-	-	-	1.15	-
- Reimbursement of expenses paid on behalf of party	-	-	-	-	2.00
- Balances outstanding at the year end	-	-	-	-	2.00
Sukhsagar Complexes Private Limited	-	-	-	-	-
- Guarantees given for Loan Taken By	450.00	450.00	450.00	450.00	280.00
- Loans (given)	10.40	4.70	17.40	290.96	56.59
- Repayment of Loan Given	-	-	-	499.00	18.90
- Reimbursement of expenses paid on behalf of party	-	-	-	0.68	0.00
- Subscription to Preference Share Capital	9.00	25.00	43.00	-	-
Toucan Real Estates Private Limited	-	-	-	-	-
- Capital Advance	186.70	38.50	-	-	193.22
Valerian Management services Private Limited	-	-	-	-	-
- Services obtained(Net of TDS)	6.73	13.47	9.15	-	-
Others(parties with whom transactions are less than 10% of the total amount)	-	-	-	-	-
- Amount Received by the Party on behalf of the company	0.06	0.70	0.92	0.17	0.11
- Amount Received on Behalf of Party by the Company	-	3.41	2.62	0.05	0.01
- Loans (given)	14.00	-	324.90	85.41	80.28
- Management Fees Received (including Service Tax)	29.23	17.42	5.75	14.57	-

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

	March 31, 2017 Rs. (In million)	March 31, 2016 Rs. (In million)	March 31, 2015 (Proforma) Rs. (In million)	March 31, 2014 (Proforma) Rs. (In million)	March 31, 2013 (Proforma) Rs. (In million)
- Reimbursement of expenses incurred on company's behalf	-	0.02	0.07	0.07	0.76
- Reimbursement of expenses paid on behalf of party	0.53	0.16	0.26	0.53	0.30
- Repayment of Loan Given	-	4.70	131.67	52.74	107.10
- Sale of Investment	-	-	14.54	-	-
- Subscription to Share Capital	0.39	0.10	107.58	-	-
- Balances outstanding at the year end	121.34	88.13	147.33	88.58	334.36

Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Rs Nil, March 31, 2015: Rs Nil, March 31, 2014: Rs Nil, March 31, 2013: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The company has not entered into any commitments with related parties during the year.

35. Fair value measurement
a. Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)

	31-Mar-17		31-Mar-16		31-Mar-15Proforma		31-Mar-14Proforma		31-Mar-13Proforma	
	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)
Financial Assets										
Trade Receivables	-	145.67	-	170.68	-	106.98	-	96.61	-	103.15
Security Deposits	-	88.32	-	78.23	-	71.18	-	63.10	-	56.86
Other bank balances	-	25.31	-	25.31	-	25.62	-	25.08	-	33.26
Commission receivable	-	0.04	-	0.29	-	0.38	-	0.20	-	0.38
Cash and Cash Equivalents	-	56.64	-	50.97	-	42.14	-	303.05	-	73.55

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

Interest accrued on deposit with banks	-	12.78	-	9.94	-	7.51	-	5.33	-	4.37
Loans	-	217.10	-	214.58	-	232.31	-	151.63	-	115.96
Investments	414.23	-	393.24	-	364.26	-	294.03	-	291.54	-
	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	414.23	545.86	393.24	550.00	364.26	486.12	294.03	645.00	291.54	387.53

b. Financial liabilities

	31-Mar-17		31-Mar-16		31-Mar-15Proforma		31-Mar-14Proforma		31-Mar-13Proforma	
	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)	FVTPL Rs. (In million)	Amortised Cost Rs. (In million)
Financial Liabilities										
Borrowings	-	2,997.80	-	3,214.52	-	3,160.76	-	3,196.91	-	2,546.84
Trade Payables	-	368.67	-	313.99	-	294.61	-	216.58	-	73.56
Other Current Financial Liabilities	-	222.47	-	260.76	-	107.68	-	209.89	-	478.40
Total Financial Liabilities	-	3,588.94	-	3,789.27	-	3563.05	-	3623.38	-	3098.80

Note: The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28

c. Fair value measurement hierarchy for assets and liabilities**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Financial assets and liabilities measured at fair value

	March 31, 2017			
	Level 1 Rs. (In million)	Level 2 Rs. (In million)	Level 3 Rs. (In million)	Total Rs. (In million)
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.03	0.03
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	414.21	414.21

	March 31, 2016			
	Level 1 Rs. (In million)	Level 2 Rs. (In million)	Level 3 Rs. (In million)	Total Rs. (In million)
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.03	0.03
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	393.13	393.13

	March 31, 2015 Proforma			
	Level 1 Rs. (In million)	Level 2 Rs. (In million)	Level 3 Rs. (In million)	Total Rs. (In million)
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.03	0.03
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	364.15	364.15

	March 31, 2014 Proforma			
	Level 1 Rs. (In million)	Level 2 Rs. (In million)	Level 3 Rs. (In million)	Total Rs. (In million)
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.01	0.01
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	293.94	293.94

	March 31, 2013 Proforma			
	Level 1 Rs. (In million)	Level 2 Rs. (In million)	Level 3 Rs. (In million)	Total Rs. (In million)
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.01	0.01
Investment in compulsorily redeemable preference shares of subsidiaries	-	-	291.46	291.46

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

The following methods and assumptions were used to estimate the fair values:

► The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

► The fair values of compulsorily redeemable preference shares of subsidiaries have been estimated using the fair valuation by independent valuer. The valuation requires management to make certain assumptions about the interest rate, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017 and 31 March 2016 are as shown below:

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
FVTPL fair values of compulsorily redeemable preference shares of subsidiaries	DCF method	Discount Rate	31 March 2017: 11.22% - 12.12% 31 March 2016: 11.22% - 12.12% 31 March 2015: 11.22% - 12.12% 31 March 2014: 11.22% - 12.12% 31 March 2013: 11.22% - 12.12%
		Expected dividends	31 March 2017: 0% - 5% 31 March 2016: 0% - 5% 31 March 2015: 0% - 5% 31 March 2014: 0% - 5% 31 March 2013: 0% - 5%

36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

Rs. In Million

	March 31, 2017 Rs. (in million)	March 31, 2016 Rs. (in million)	March 31, 2015Proforma Rs. (in million)	March 31, 2014Proforma Rs. (in million)	March 31, 2013Proforma Rs. (in million)
Variable rate borrowings	3,195.53	3,397.13	3,221.40	3,279.52	2,836.19
Fixed rate borrowings	14.92	13.58	22.62	31.10	31.70

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit / (loss) before tax	Effect on Other Equity
		<i>Rs. In million</i>	<i>Rs. In million</i>
31-Mar-17			
INR	50	14.73	11.73
INR	-50	(14.73)	(11.73)
31-Mar-16			
INR	50	16.02	16.02
INR	-50	(16.02)	-16.02
31-Mar-15 Proforma			
INR	50	17.16	13.73
INR	-50	(17.16)	(13.73)
31-Mar-14 Proforma			
INR	50	11.57	9.14
INR	-50	(11.57)	(9.14)
31-Mar-13 Proforma			
INR	50	11.22	11.22
INR	-50	(11.22)	-11.22

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no exposure in foreign currency.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with

approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the Trade receivable as at 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 is the carrying amount as illustrated in Note 12.

Ageing	March 31, 2017 Rs. (in million)	March 31, 2016 Rs. (in million)	March 31, 2015 Proforma Rs. (in million)	March 31, 2014 Proforma Rs. (in million)	March 31, 2013 Proforma Rs. (in million)
Not due					
0-60 days past due	94.73	103.07	61.26	62.92	75.01
61-120 days past due	19.23	33.09	22.46	21.81	18.85
121-180 days past due	8.68	19.37	11.53	7.34	5.83
180-365 days past due	15.42	7.329	10.06	4.54	3.07
365-730 days past due	5.47	3.83	1.67	-	0.27
more than 730 days	2.14	3.97	-	-	0.12
	145.67	170.68	106.98	96.61	103.15

Provision for doubtful debts (including provision for expected credit loss on trade receivables)

Ageing	March 31, 2017 Rs. (in million)	March 31, 2016 Rs. (in million)	March 31, 2015 Proforma Rs. (in million)	March 31, 2014 Proforma Rs. (in million)	March 31, 2013 Proforma Rs. (in million)
Not due	-	-	-	-	-
0-60 days past due	-	-	-	-	-
61-120 days past due	-	-	-	-	-
121-180 days past due	-	-	-	-	-
180-365 days past due	-	-	-	-	-
more than 365 days	1.56	0.90	0.23	0.68	0.68

Reconciliation of provision for doubtful debts – Trade receivables (including provision for expected credit loss)

Particulars	March 31, 2017 Rs. (in million)	March 31, 2016 Rs. (in million)	March 31, 2015 Proforma Rs. (in million)	March 31, 2014 Proforma Rs. (in million)	March 31, 2013 Proforma Rs. (in million)
Provision at beginning	0.90	0.23	0.23	0.68	0.68
Addition during the year	0.86	0.67	-	-	-
Reversal during the year	0.20	-	-	-	-
Utilised during the year	-	-	-	-	-

Provision at closing	1.56	0.90	0.23	0.68	0.68

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. There are no undrawn borrowing facilities at the end of the reporting periods.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

						<i>Rs. in Million</i>
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
March 31, 2017						
Borrowings	421.60	79.38	345.92	1,559.78	803.77	3,210.45
Trade and other payables	368.68	-	-	-	-	368.68
Other Financial Liabilities	222.47	-	-	-	-	222.47
	1,012.75	79.38	345.92	1,559.78	803.77	3,801.60
Year ended						
March 31, 2016						
Borrowings	441.92	79.62	312.78	1,379.53	1,196.87	3,410.72
Trade and other payables	313.83	-	-	-	-	313.83
Other Financial Liabilities	260.76	-	-	-	-	260.76
	1,016.51	79.62	312.78	1,379.53	1,196.87	3,985.31
Year ended						
March 31, 2015						
Proforma						
Borrowings	416.37	34.83	131.71	1,028.90	1,632.22	3,244.03
Trade and other payables	294.50	-	-	-	-	294.50
Financial Liabilities	106.56	-	-	-	-	106.56
	817.43	34.83	131.71	1,028.90	1,632.22	3,645.09

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2014 Proforma						
Borrowings	573.89	50.47	176.95	866.32	1,642.99	3,310.62
Trade and other payables	216.45	-	-	-	-	216.45
Financial Liabilities	196.01	-	-	-	-	196.01
	986.35	50.47	176.95	866.32	1,642.99	3,723.08
Year ended March 31, 2013 Proforma						
Borrowings	257.94	151.16	490.94	1,796.38	171.47	2,867.89
Trade and other payables	73.48	-	-	-	-	73.48
Financial Liabilities	467.02	-	-	-	-	467.02
	798.44	151.16	490.94	1,796.38	171.47	3,408.39

37. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	<i>Rs. In Million</i>				
	March 31, 2017	31 March 2016	31 March 2015Proforma	31 March 2014Proforma	31 March 2013Proforma
Borrowings (other than preference share)	3,210.45	3,410.71	3,244.03	3,310.62	2,867.89
Trade payables (Note 19)	368.68	314.47	295.88	216.45	73.476
Less: cash and cash equivalents (Note 12)	56.64	50.97	42.14	303.05	73.554
Net debt	3,522.49	3,674.21	3,497.77	3,224.02	2,867.81
Total capital	9,272.31	9,140.86	9,276.12	9,158.35	8,941.16
Capital and net debt	12,794.80	12,815.07	12,773.89	12,382.37	11,808.97
Gearing ratio	28%	29%	27%	26%	24%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013.

38. First-time adoption of Ind AS

The Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows for the years ended March 31, 2017 and March 31 2016 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Company has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated standalone financial information for the years ended March 31, 2015, 2014 and 2013 has been prepared on Proforma basis (i.e. "Proforma Standalone Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS standalone financial information for the year ended March 31, 2015, 2014 and 2013, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Standalone financial information as of and for the years ended March 31, 2015, 2014, and 2013 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2015).

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2015 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets and investment property.
- For leases of both land and building elements, the Company has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstance existing as at that date. For the purpose of Proforma standalone Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Company has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).
- The Company has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of Proforma Ind AS Standalone financial information for the year ended March 31, 2015, 2014 and 2013, the Company has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2012.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Company has continued with the existing exemption on the date of transition (i.e. April 1,

2015)and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 15 of Annexure VI.

A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2013

					<i>Rs. in million</i>
	Footnotes	Previous GAAP	Adjustments	Restatements	Restated Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment	I	3,924.46	-	(33.01)	3,891.45
(b) Capital work-in-progress		647.95	-	-	647.95
(c) Intangible assets		10.76	-	-	10.76
(d) Financial assets					
(i) Investments	II	3,520.38	1,925.17	-	5,445.55
(ii) Loans	II	2,058.44	(1,946.86)	-	111.58
(iii) Other non-current financial assets	II	750.68	(657.46)	-	93.22
(e) Other non-current assets	II	1,113.79	575.86	5.44	1,695.09
		12,026.46	(103.29)	(27.57)	11,895.60
Current assets					
(a) Inventories		27.83	-	-	27.83
(b) Financial assets					
(i) Trade receivables		103.15	-	-	103.15
(ii) Cash and cash equivalents	V	73.53	0.02	-	73.55
(iii) Loans		4.39	-	-	4.39
(iv) Other current financial assets	II	1.67	(0.02)	-	1.65
(c) Other current assets	II	50.62	-	-	50.62
		261.19	0.00	-	261.19
Total Assets		12,287.65	(103.29)	(27.57)	12,156.79
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	V	1,267.84	(0.07)	-	1,267.77
(b) Other equity	II,III,IV	7,755.07	(62.65)	(25.55)	7,666.87
Total Equity		9,022.91	(62.72)	(25.55)	8,934.64
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	2,318.75	(29.85)	-	2,288.90
(b) Long term provisions		3.98	-	-	3.98
(c) Other non-current liabilities	IV	49.93	(15.10)	-	34.83
		2,372.66	(44.95)	0.00	2,327.71
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		257.94	-	-	257.94
(ii) Trade payables	IX	75.49	-	(2.02)	73.47
(iii) Other financial liabilities	V	474.02	4.38	-	478.4

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

(b) Provisions	7.00	-	-	7.00
(c) Current tax liabilities (net)	0.09	-	-	0.09
(d) Other current liabilities	77.54	-	-	77.54
	892.08	4.38	(2.02)	894.44
Total Liabilities	3,264.74	(40.57)	(2.02)	3,222.15
Total Equity and Liabilities	12,287.65	(103.29)	(27.57)	12,156.79

A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2014

					<i>Rs. in million</i>
	Footnotes	Previous GAAP	Adjustments	Restatements	Restated Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment		4,646.07	-	-	4,646.07
(b) Capital work-in-progress		48.26	-	-	48.26
(c) Investment property		26.33	-	-	26.33
(d) Intangible assets		12.36	-	-	12.36
(e) Financial assets					0.00
(i) Investments	II	4,340.50	1,959.62	-	6,300.12
(ii) Loans	II	2,151.04	(1,999.41)	-	151.63
(iii) Other non-current financial assets	II	744.82	(652.36)	-	92.46
(f) Other non-current assets	II	630.65	557.75	(13.30)	1,175.10
		12,600.03	(134.40)	(13.30)	12,452.33
Current assets					
(a) Inventories		25.82	-	-	25.82
(b) Financial assets					0
(i) Trade receivables		96.61	-	-	96.61
(ii) Cash and cash equivalents	V	302.21	0.84	-	303.05
(iii) Other current financial assets	II	1.28	(0.03)	-	1.25
(c) Other current assets	II	58.23	-	(0.12)	58.11
		484.15	0.81	(0.12)	484.84
Total Assets		13,084.18	(133.59)	(13.42)	12,937.17
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	V	1,286.27	(0.1)	-	1,286.17
(b) Other equity	II,III,IV	8,011.48	(78.05)	(9.33)	7,924.10
Total Equity		9,297.75	(78.15)	(9.33)	9,210.27
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	2,668.83	(45.81)	-	2,623.02
(b) Long term provisions		5.42	-	-	5.42
(c) Other non-current liabilities	IV	60.66	(9.63)	-	51.03
		2,734.91	(55.44)	-	2,679.47
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		573.89	-	-	573.89
(ii) Trade payables	IX	220.54	-	(4.09)	216.45
(iii) Other financial liabilities		209.89	-	-	209.89

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

(b) Provisions	7.29	-	-	7.29
(c) Current tax liabilities (net)	0.13	-	-	0.13
(d) Other current liabilities	39.78	-	-	39.78
	1,051.52	-	(4.09)	1,047.43
Total Liabilities	3,786.43	(55.44)	(4.09)	3,726.90
Total Equity and Liabilities	13,084.18	(133.59)	(13.42)	12,937.17

A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2015

					<i>Rs. in million</i>
	Footnotes	Previous GAAP	Adjustments	Restatements	Restated Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment		4,293.00	-	-	4,293.00
(b) Capital work-in-progress		117.8	-	-	117.80
(c) Investment property		25.89	-	-	25.89
(d) Intangible assets		6.29	-	-	6.29
(e) Financial assets					
(i) Investments	II	5,636.35	1,178.78	-	6,815.13
(ii) Loans	II	1,432.20	(1,205.50)	-	226.70
(iii) Other non-current financial assets	II	749.84	(646.59)	-	103.25
(f) Other non-current assets	II	617.32	521.01	(1.34)	1,136.99
		12,878.69	(152.30)	(1.34)	12,725.05
Current assets					
(a) Inventories		19.97	-	-	19.97
(b) Financial assets					
(i) Trade receivables		106.98	-	-	106.98
(ii) Cash and cash equivalents	V	42.13	0.01	-	42.14
(iii) Loans		5.61	-	-	5.61
(iv) Other current financial assets	II	1.46	(0.03)	-	1.43
(c) Other current assets	II	64.11	-	(0.12)	63.99
		240.26	(0.02)	(0.12)	240.12
Total Assets		13,118.95	(152.32)	(1.46)	12,965.17
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	V	7,764.87	(0.61)	-	7,764.26
(b) Other equity	II,III,IV	1,617.01	(105.15)	(0.08)	1,511.78
Total Equity		9,381.88	(105.76)	(0.08)	9,276.04
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	2,786.78	(42.39)	-	2,744.39
(b) Long term provisions		6.26	-	-	6.26
(c) Other non-current liabilities	IV	71.41	(4.18)	-	67.23
		2,864.45	(46.57)	-	2,817.88
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		416.37	-	-	416.37
(ii) Trade payables	IX	295.87	-	(1.38)	294.49

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

(iii) Other financial liabilities	V	107.67	0.01	-	107.68
(b) Provisions		6.97	-	-	6.97
(c) Current tax liabilities (net)		0.12	-	-	0.12
(d) Other current liabilities		45.62	-	-	45.62
		872.62	0.01	(1.38)	871.25
Total Liabilities		3,737.07	(46.56)	(1.38)	3,689.13
Total Equity and Liabilities		13,118.95	(152.32)	(1.46)	12,965.17

A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2016

				<i>Rs. in million</i>	
	Footnotes	Previous GAAP	Adjustments	Restatements	Restated Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment	I	4,508.25	(2.39)	-	4,505.86
(b) Capital work-in-progress		52.71	-	-	52.71
(c) Investment property		25.45	-	-	25.45
(d) Intangible assets		3.69	-	-	3.69
(e) Financial assets					
(i) Investments	II	5,790.45	1,208.47	-	6,998.92
(ii) Loans	II	1,422.04	(1,207.57)	-	214.47
(iii) Other non-current financial assets	II	752.51	(640.08)	-	112.43
(f) Other non-current assets	II	330.03	487.9	12.04	829.97
		12,885.13	(153.67)	12.04	12,743.50
Current assets					
(a) Inventories		22.91	-	-	22.91
(b) Financial assets					
(i) Trade receivables		170.68	-	-	170.68
(ii) Cash and cash equivalents	V	50.46	0.51	-	50.97
(iii) Loans		0.11	-	-	0.11
(iv) Other current financial assets	II	1.37	(0.03)	-	1.34
(c) Other current assets	II	123.5	-	(0.12)	123.38
		369.03	0.48	(0.12)	369.39
Total Assets		13,254.16	(153.19)	11.92	13,112.89
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	V	7,781.02	(0.61)	-	7,780.41
(b) Other equity	II,III,IV	1,466.80	(106.37)	12.56	1,372.99
Total Equity		9,247.82	(106.98)	12.56	9,153.40
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	2,810.67	(38.07)	-	2,772.60
(b) Long term provisions		7.84	-	-	7.84
(c) Other non-current liabilities	IV	91.33	(8.15)	-	83.18
		2,909.84	(46.22)	0.00	2,863.62
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		441.92	-	-	441.92
(ii) Trade payables	IX	314.47	-	(0.64)	313.83

Lemon Tree Hotels Limited**Annexure V- Notes to restated standalone financial information**

(iii) Other financial liabilities	V	260.75	0.01	-	260.76
(b) Provisions		9.09	-	-	9.09
(c) Current tax liabilities (net)		0.16	-	-	0.16
(d) Other current liabilities		70.11	-	-	70.11
		1,096.50	0.01	(0.64)	1,095.87
Total Liabilities		4,006.34	(46.21)	(0.64)	3,959.49
Total Equity and Liabilities		13,254.16	(153.19)	11.92	13,112.89

Footnotes to the reconciliation of equity as at March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016

I. Property, plant and equipment's

- The auditor's had qualified their opinion on the financial statement for the year ended March 31, 2013 on account of depreciation reversed in the year ended March 31, 2011 provided in the earlier year at accelerated rate so that the net value of the assets less the residual value should be depreciated up to the earlier reassessed useful lives of 2 years assessed up to March 31, 2012. As per AS-6 'Depreciation Accounting' of previous GAAP, the effects of changes in estimated useful lives on depreciation should be provided prospectively from the date of such change. The Company had provided additional depreciation in the years ended March 31, 2013, 2012 and 2011 due to such write back. To give effect to the qualification, the depreciation reversed in the year ended March 31, 2011 is added back to the accumulated depreciation balance (net of additional depreciation till March 31, 2013) and considered as additional depreciation in the audited financial statements for the year ended March 31, 2014. In the restated standalone financial statements, the impact of such additional depreciation has been reflected in the retained earnings as at April 1, 2012.
- As per Ind AS 16, certain expenses pertaining to pre operating period has not been capitalised in property plant and equipment as compared to IGAAP.

II. Financial Assets

- Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords, and loans to employees have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.
- Based on Ind AS - 109, financial Assets in the form of long term interest free loans to subsidiaries have been accounted at fair value on the date of transition and the difference is considered as deemed investment. Subsequently the loan is measured at amortized cost using the effective interest rate method.
- Based on Ind AS - 109, financial Assets in the form of compulsory redeemable preference shares in subsidiaries is valued at fair value and the difference is considered as deemed investment in redeemable preference shares. Subsequently the investments are measured at fair value through profit & Loss.
- Under Indian GAAP, the Company had created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).
- During an earlier year, the Company had given an advance (including other charges) to a developer for construction of a four star hotel at Jaipur. Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell. During the year 2015-16, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received certain amount. As per the revised consent terms, the developer had agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received against the carrying value of advance to developer and had written off the balance amount of other expenses as 'advances

written off' in the Statement of Profit & Loss for the year ended March 31, 2016. During the year ended March 31, 2017, the Company has further received the amount and recognized the same in the statement of profit & Loss. In the restated standalone financial statements, the impact of such advances written off has been reversed in the year ended March 31, 2016 and has been reduced from 'Profit on relinquishment of rights' for the year ended March 31, 2017.

III. Financial Liability

- Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

IV. Lease equalisation

Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

V. ESOP Trust

Considering the guidance given in Ind AS 110, the ESOP trust has been included as part of standalone financials statements of the Company.

VI. Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

VII. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

VIII. Share based payments

Under Indian GAAP, the cost of equity-settled transactions is measured using the intrinsic value method. Ind AS 102 requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

IX. Unspent Liability/ Miscellaneous balances written back

During the years ended March 31, 2016, 2015, 2014 and 2013, the Company reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been adjusted against the expenses in respective years in which the liability was created.

X. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS.

XI. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

39. Segment Reporting

The Company is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company Proformance, allocate resources based on the analysis of the various Proformance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

Information about geographical areas

The Company has only domestic operations and hence no information required for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

Information about major customers

No customer individually accounted for more than 10% of the revenue

- 40.** The Company in the earlier years paid conversion charges of Rs. 60.40 millions in respect of land taken for lease of 60 years for construction of hotel building. The Company has amortized Rs. 1.01 million (Previous years:31st March 2016 Rs. 1.01 million31st March 2015:Rs. 1.01 million, 31st March 2014: Rs. 1.01 million, 31st March 2013: Rs. 1.01 million) during the year in accordance with its accounting policy of amortizing the conversion charges over the period of lease as mentioned in Note 2.2 (j) above. The balance amount of Rs. 52.26 million (Previous years Rs. 31st March 2016: Rs.53.27 million 31st March 2015: Rs. 54.27 millions, 31st March 2014: Rs. 55.28 million, 31st March 2013: Rs. 56.29 million) has been shown in Note 13 as 'Prepaid conversion charges.'
- 41.** During the year, the Company has made preferential allotments of Nil (31st March 2016: 894,766 31st March 2015: 314,352, 31st March 2014: 529,751, 31st March 2013: 6,688,136) equity shares to parties and companies covered in the register maintained under section 189 of the Act. The management has confirmed that the shares under preferential allotment are issued at fair price based on the price as determined by an independent third party valuer and approved by the shareholders.

42. During the earlier years, the Company had entered into a sub license agreement with M/s Hyacinth Hotels Private Limited (a subsidiary of the Company) as part of Infrastructure development and services agreement entered between M/s Hyacinth Hotels Private Limited and Delhi International Airport Limited (DIAL) to develop a hotel at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the Company for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL is committed to take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further. Accordingly the building is depreciated over the estimated useful life of 22 years after reducing the expected residual value as contractually recoverable from DIAL in case the agreement is not extended.
43. Pursuant to the scheme of Amalgamation under Section 391/394 of the Companies Act 1956 among the Company and Spank Hotels Private Limited ("Spank") approved by Hon'ble High Court, Spank merged with the Company w.e.f. April 1, 2011 (the appointed date). Post amalgamation, the whole of the business, property and assets, liabilities and obligations including provisions and reserves of SHPL stand transferred to and be vested in the Company, with effect from the appointed date. Further, with effect from April 1, 2011 (i.e. the appointed date) and up to January 10, 2013 (i.e. the effective date), SHPL being the transferor company had carried out the business in trust for and on behalf of the Company. Accordingly, Property, Plant & Equipment as on the appointed date amounting to Rs. 470.63 million (and accumulated depreciation of Rs. 3.09 million) and additions from April 1, 2011 to March 31, 2012 amounting to Rs. 10.47 million (and accumulated depreciation of Rs. 13.58 million) were acquired on amalgamation.

In accordance with the scheme of amalgamation, LTHL had issued 32.49 Mn equity shares of Rs. 10 each at par, fully paid up, to the shareholders of SHPL in exchange ratio of two fully paid up equity shares of Rs 10 each of LTHL for every equity share of Re 1 each held in SHPL. Further, In accordance with the provisions of the scheme which had also been approved by the shareholders of the company, the Company in its standalone financial statements had adjusted the difference (representing the difference between the sum of reserve and surplus and net assets taken over from SHPL and the equity shares issued to the shareholders of SHPL) of Rs 308.62 Mn against the securities premium account.

44. In terms of shareholder's approval u/s 180 and 188 of the Companies Act and pursuant to the resolution passed at the Board meeting held on February 19, 2015, the Company had sold its hotel property at Goa to one of its 100% subsidiary M/s Begonia Hotels Private Limited on a going business basis under a slump sale arrangement for a lump sum consideration of Rs. 20 Mn and recognized a loss of Rs. 32.45 Mn being the differential between the net assets transferred amounting to Rs. 52.45 Mn and lump sum consideration of Rs. 20 Mn. Accordingly, Property, Plant & Equipment amounting to Rs. 205.22 million and accumulated depreciation of Rs 58.42 million were disposed on slump sale.
45. As per the agreement as mentioned in Note 42 above, the Company had paid advance for development of infrastructure facilities of Rs. 104.63 Mn, an unspent money will be refunded by DIAL to Hyacinth and by Hyacinth to Company. The management based on the discussion and assessment believes the cost of development would be equal to advances and has recorded the provision for development of infrastructure facilities as capital expenditure and believes that no further adjustment is required.
46. During the year ended March 31, 2015, the company had sold its entire shareholding in Hyacinth Hotels Private Limited (a wholly owned subsidiary company) to Fleur Hotels Private Limited (it's another subsidiary company). The Company had recognised a gain of Rs 348.93 Mn on such sale of equity shares.
Further to the above the company had also sold its shareholding in Meringue Hotels Private

Limited (a subsidiary company) to Dandelion Hotels Private Limited (its wholly owned subsidiary company). The Company had recognised a gain of Rs 6.39 Mn on such sale of equity shares.

47. During the year ended March 31, 2015, pursuant to and in terms of the Scheme of Arrangement ("the Scheme") under section 391 and section 394 of the Companies Act, 1956, approved by order dated March 18, 2014 of the Hon'ble High Court of Delhi and effective from June 26, 2014 (on filing of the certified copy of the Order of the High Court in the office of the Registrar of Companies), Citrus Hotels Private Limited (CHPL) (a subsidiary of the Company) had been amalgamated with Fleur Hotels Private Limited (FHPL) (another subsidiary of the Company). As per the approved Scheme, the appointed date was April 1, 2013. In accordance with the scheme of amalgamation, Fleur Hotels Private Limited had issued 2.67 Mn equity shares of Rs. 10 each at par, fully paid up, to the Company in exchange ratio of eight fully paid up equity shares of Rs 10 each of FHPL for every three ordinary share of Rs 10/- each held in CHPL.
48. During the year ended March 31, 2014, the Company had relinquished its rights to purchase certain land and building shell to establish and operate a hotel project/commercial space at Gurgaon to Fleur Hotels Private Limited (a subsidiary Company) at Rs. 804 Mn against the carrying value of Rs. 360 Mn and has recognised a profit of Rs. 443.99 Mn.
49. During an earlier year, the Company had given an advance of Rs. 351.94 Mn (including other charges) to a developer for construction of a four star hotel at Jaipur. Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell. During the year 2015-16, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received Rs. 336 Mn. As per the revised consent terms, the developer had agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received amounting to Rs. 336 Mn against the carrying value of advance to developer and had written off the balance amount of other expenses amounting to Rs. 16.05 Mn as 'advances written off' in the Statement of Profit & Loss for the year ended March 31, 2016. During the year ended March 31, 2017, the Company has further received Rs. 60 Mn and recognized the same in the statement of profit & Loss.

In the restated standalone financial statements, the impact of such advances written off has been reversed in the year ended March 31, 2016 and has been reduced from 'Profit on relinquishment of rights' amounting to INR 43.95 Mn for the year ended March 31, 2017.

50 Discontinuing operation

The following statement shows the revenue and expenses of discontinuing operations (Also refer Note 44):

(Rs. In million)

	March 31, 2015	March 31, 2014	March 31, 2013
Revenue	137.29	140.65	131.56
Expenses	64.13	70.52	88.29
Earnings before interest, tax, depreciation and amortization (EBITDA)	73.16	70.13	43.27
Finance costs	31.82	11.32	4.08
Depreciation and amortization	12.37	6.18	6.38
Profit before tax	28.97	52.63	32.81
Income-tax expense	26.04	-	-
Profit/ (loss) after tax	2.93	52.63	32.81

The carrying amounts of the total assets and liabilities disposed off during the year are as follows:

	March 31, 2015	March 31, 2014	March 31, 2013
Total assets	156.53	169.00	248.04
Total liabilities	104.08	102.37	21.58
Net assets	52.45	66.63	226.46

The net cash flows attributable to the Discontinuing Division are as below:

	March 31, 2015	March 31, 2014	March 31, 2013
Operating activities	73.89	65.78	7.25
Investing activities	(1.75)	(2.83)	(4.52)
Financing activities	(30.61)	(10.28)	(4.09)
Net cash inflows	41.53	52.67	(1.36)

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

**For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited**

per Sanjay Vij

Partner

Membership No. 95169

Patanjali G. Keswani

(Chairman & Managing
Director)

DIN:00002974

Kapil Sharma

(Chief financial officer)

Nikhil Sethi

(Group Company Secretary
& GM Legal)

Place : Gurgaon

Date : September 14, 2017

Place: New Delhi

Date : September 14, 2017

Lemon Tree Hotels Limited
Annexure VI Notes on material adjustments and regroupings to audited standalone financial statements

Below mentioned is the summary of results of adjustments made in the audited standalone financial statements of the respective period and its impact on restated standalone summary statement of profit and loss.

(All amounts in Rupees million)						
	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
I	Net profit/(loss) after tax as per audited financial statements prepared under applicable GAAP	67.25	(159.31)	(7.28)	144.59	(175.02)
	Adjustments:					
	On account of interest income on interest free loan to employees recognized at amortized cost(Refer Note 1a)		0.96	10.56	10.59	5.20
	On account of interest income on interest free loan to subsidiaries recognized at amortized cost (Refer Note 1b)		2.09	2.64	3.11	1.15
	shares in subsidiaries accounted for at fair value through profit & loss (Refer Note 1c)		10.72	9.69	2.47	0.49
	On account of interest income on interest free security deposits recognized at amortized cost (Refer Note 1a)		6.51	5.77	5.11	4.53
	On account of depreciation on expenses decapitalized (Refer Note 7)		0.01	-	-	-
	On account of expenses decapitalized (Refer Note 7)		(2.42)	-	-	-
	On account of straightlining of land leases/ structured payments (Refer Note 3)		4.13	(5.61)	(5.45)	(4.65)
	On account of amortization of loans to employees (Refer Note 1a)		0.22	(10.12)	(12.27)	(6.09)
	On account of amortization of security deposits recognized at amortized cost (Refer Note 1a)		(23.27)	(23.27)	(23.27)	(23.27)
	On account of borrowing cost recognized at effective interest rate (Refer Note 2)		(0.15)	(0.04)	4.60	(1.97)
	On account of share based payments recognized at fair value instead of intrinsic value (Refer Note 6)		(14.92)	(1.12)	(1.96)	(13.63)
	On consolidation of profit/(loss) of ESOP trust (Refer Note 4)		(0.00)	(0.00)	(0.00)	(0.00)
	Unspent Liability/ Miscellaneous balances written back (Refer Note 8)	(0.64)	(0.75)	(2.71)	2.07	(1.64)
	Amalgamation adjustment (Refer Note 9)	-	-	-	-	6.35
	Bad debts and advances written off (Refer Note 11)	(15.93)	16.05	-	(0.12)	-
	Prior period expenses (Refer Note 13)	-	-	-	-	0.21
	Current tax impact (Refer Note 12)	3.34	(3.06)	0.54	(7.33)	-
	Tax adjustments for Earlier Years (Refer Note 12)	0.69	0.40	11.41	(11.41)	(0.63)
II	Qualification adjustments					
	Depreciation (Effect of Auditor qualification) (Refer Note 10)	-	-	-	33.02	1.46
III	Total Restated comprehensive income/(loss)	54.71	(162.79)	(9.54)	143.75	(207.51)

Notes

Note 1

- a Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords, and loans to employees have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.
- b Based on Ind AS - 109, financial Assets in the form of long term interest free loans to subsidiaries have been accounted at fair value on the date of transition and the difference is considered as deemed investment on account of interest free loan to subsidiaries. Subsequently the loan is measured at amortized cost using the effective interest rate method.
- c Based on Ind AS - 109, financial Assets in the form of compulsory redeemable preference shares in subsidiaries is valued at fair value and the difference is considered as deemed investment in redeemable preference shares. Subsequently the investments are measured at fair value through profit & Loss.

Note 2

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

Note 3

Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Note 4

Considering the guidance given in Ind AS 110, the ESOP trust has been included as part of standalone financials statements of the Company.

Note 5

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

Note 6

Under Indian GAAP, the cost of equity-settled transactions is measured using the intrinsic value method. Ind AS 102 requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Company has continued with the existing assumption on the date of transition (i.e. April 1, 2015) and no retrospective assessment/ adjustments have been made.

Note 7

As per Ind AS 16, certain expenses pertaining to pre operating period has not been capitalised in property plant and equipment as compared to IGAAP.

Lemon Tree Hotels Limited**Note 8**

During the years ended 31 March 2017, 2016, 2015, 2014 and 2013, the Company reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been adjusted against the expenses in respective years in which the liability was created.

Note 9

Court, the erstwhile company, stands merged with the Company w.e.f. April 1, 2011 (the appointed date). The results of the Company for the year ended March 31, 2013 are after giving effect to the scheme. The net profit/(loss) of the company of Rs. (6.34) million for the year ended March 31, 2012 has been disclosed separately in the statement of profit and loss in the audited financial statements for the year ended March 31, 2013. In the restated standalone financial statements, the impact of amalgamation, of Spank has been reflected in the year ended March 31, 2012.

Note 10

The auditor's had qualified their opinion on the financial statement for the year ended March 31, 2013 on account of depreciation of Rs. 37.47 Mn reversed in the year ended March 31, 2011 provided in the earlier year at accelerated rate so that the net value of the assets less the residual value should be depreciated upto the earlier reassessed useful lives of 2 years assessed upto March 31, 2012. As per AS-6 'Depreciation Accounting' of previous GAAP, the effects of changes in estimated useful lives on depreciation should be provided prospectively from the date of such change. The Company had provided additional depreciation of Rs 1.46 Mn, Rs. 1.48 Mn and Rs. 1.51 Mn in the years ended March 31, 2013, 2012 and 2011 respectively due to such writeback. To give effect to the qualification, the depreciation reversed in the year ended March 31, 2011 is added back to the accumulated depreciation balance (net of additional depreciation till March 31, 2013 amounting to INR 4.44 Mn) Rs. 33.02 Mn and considered as additional depreciation in the audited financial statements for the year ended March 31, 2014. In the restated standalone financial statements, the impact of such additional depreciation has been reflected in the retained earning as per restated standalone financial statements as at April 1, 2012 in Note 14 below.

Note 11

During an earlier year, the Company had given an advance of Rs. 351.94 Mn (including other charges) to a developer for construction of a four star hotel at Jaipur. Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell. During the year 2015-16, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received Rs. 336.00 Mn. As per the revised consent terms, the developer had agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received amounting to Rs. 336.00 Mn against the carrying value of advance to developer and had written off the balance amount of other expenses amounting to Rs. 16.05 Mn as 'advances written off' in the Statement of Profit & Loss for the year ended March 31, 2016. During the year ended March 31, 2017, the Company has further received Rs. 60 Mn and recognized the same in the statement of profit & Loss. In the restated standalone financial statements, the impact of such advances written off has been reversed in the year ended March 31, 2016 and has been reduced from 'Profit on relinquishment of rights' amounting to INR 43.95 Mn for the year ended March 31, 2017.

Note 12

Represents tax adjustment relating to adjustments described above in addition to the earlier years tax adjustments.

Note 13

For the year ended March 31, 2013, depreciation expense amounting to INR 0.21 Mn have been identified as prior period adjustments which pertains to period before April 1, 2013. These adjustments were recorded in the year when identified. However, In the restated standalone financial statements, the impact of such additional depreciation has been reflected in the retained earning as per restated standalone financial statements as at April 1, 2012 in Reconciliation of total equity below.

Note 14**Reconciliation of total equity as at 1 April 2012**

(All amounts in Rupees million)		
Particulars	Equity share capital	Other equity
Total equity (shareholder's fund) as per previous GAAP	735.62	3,959.77
Adjustments:		
On account of interest income on interest free loan to subsidiaries recognized at amortized cost (Refer Note 1b)		0.95
On account of interest income on interest free security deposits recognized at amortized cost (Refer Note 1a)		10.20
On account of amortization of security deposits recognized at amortized cost (Refer Note 1a)		(64.11)
On account of straightlining of land leases/ structured payments (Refer Note 3)		19.76
On account of interest income on interest free loan to employees recognized at amortized cost(Refer Note 1a)		7.13
On account of amortization of loans to employees (Refer Note 1a)		(8.30)
On account of borrowing cost recognized at effective interest rate (Refer Note 2)		(3.27)
On consolidation of profit/(loss) of ESOP trust (Refer Note 4)		(0.07)
Unspent Liability/ Miscellaneous balances written back (Refer Note 8)		3.66
Reversal of depreciation wrongly charged in previous year (Effect of Auditor qualification) (Refer Note 10)		(34.49)
Prior period expenses (Refer Note 13)		(0.21)
Tax adjustments for Earlier Years (Refer Note 12)		6.07
Profit and loss account as at 1 April 2012, as restated	735.62	3,897.09

Note 15**Reconciliation of total equity as per audited standalone financial statements with total equity as per restated standalone financial information as at 31 March 2015**

The Proforma financial information of the Company as at and for the year ended March 31, 2015, 2014 and 2013, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2015) while preparing the proforma financial information for the FY 2014-15, 2013-2014 and 2012-2013 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. The reconciliation of the two is

Lemon Tree Hotels Limited
explained as under:

(All amounts in Rupees million)

Particulars	Equity share capital	Other equity
Total equity (shareholder's fund) as per restated financial information	7,764.26	1,529.00
Adjustments pertaining to impact of Ind-AS principles applied on proforma basis:		
On account of borrowing cost recognized at effective interest rate (Refer Note 2)	-	0.65
On account of interest income on interest free loan to employees recognized at amortized cost(Refer Note 1a)	-	(5.21)
On account of profit/(loss) of investment in compulsorily redeemable preference shares in subsidiaries accounted for at fair value through profit & loss (Refer Note 1c)	-	(12.66)
On account of ESOP recognized at fair values instead of intrinsic value	-	24.67
On account of ESOP recognized at fair values- ESOP reserve as part of other equity	-	(24.67)
Others restatement adjustments	-	0.09
Total equity (shareholder's fund) before impact of Ind-AS principles applied on proforma basis	7,764.26	1,511.87
Total equity (shareholder's fund) as per audited financial statements	7,764.26	1,511.87

Note 16

From April 1, 2014, Schedule II of the Companies Act, 2013 has become applicable to the Company. Accordingly, the Company has revised the estimated useful life of its assets. The written down value of fixed assets as at April 1, 2014 is being depreciated on prospective basis. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

Annexure VII

Restated Standalone Statement of Accounting Ratios

(All amounts in Rupees million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Earnings per equity share					
Basic and Diluted EPS (Rs)- from continuing operation	0.07	(0.21)	(0.01)	0.19	(0.29)
Return on Net Worth %	0.58	(1.78)	(0.11)	1.55	(2.28)
Net asset value per equity share (Rs)	11.89	11.78	11.95	11.95	12.64
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	77,96,27,716	77,72,46,165	77,64,86,772	77,07,42,798	70,69,66,895
Net Profit after tax, as restated	53.52	(163.36)	(10.40)	142.82	(203.44)
Share Capital	7,812.13	7,780.41	7,764.26	1,286.17	1,267.77
Reserves (Other equity), as restated	1,460.18	1,372.99	1,511.78	7,924.10	7,666.87
Net worth, as restated	9,272.31	9,153.40	9,276.04	9,210.27	8,934.64

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (Rs)	=	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$
Diluted Earnings per share (Rs)	=	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$
Return on net worth (%)	=	$\frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year / period}}$
Net Asset Value (NAV) per equity share (Rs)	=	$\frac{\text{Net worth, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / Period}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. Net Worth = Equity share capital + Other equity (including Securities Premium and Surplus/ (Deficit))

4. The above ratios have been computed on the basis of the Restated Standalone Financial Information

Lemon Tree Hotels Limited

Annexure VIII - Unconsolidated capitalisation statement as at March 31, 2017

Particulars	Rs. In million	
	Pre-offer as at March 31, 2017	As adjusted for offer (Refer note 5 below)
Debt		
Short term borrowings (A)		
Current financial liabilities - Borrowings	421.59	
Current maturities of long term borrowings	212.65	
Non-current financial liabilities - Borrowings (B)	2,576.21	
Total borrowings (C=A+B)	3,210.45	
Shareholders' funds		
Share capital	7,812.13	
Reserves and surplus, as restated:		
Securities premium	895.44	
Retained earnings	232.51	
General reserve	303.52	
Share-based payments reserve	24.21	
Capital redemption reserve	4.50	
Total shareholders' funds (D)	9,272.31	
Long term debt/ equity (B/D)	0.28	
Total Debt/ equity (C/D)	0.35	

Notes:

1. Long term debt / equity has been computed as

Non-current financial liabilities

Total equity

2. Total debt / equity has been computed as

Total borrowings

Total equity

3. Short term borrowings represents borrowings due within 12 months from the balance sheet date.

4. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

5. The Company is proposing as Initial public offering through offer for sale. Hence, there will be no change in the shareholder's funds post issue

6. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

7. The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure I, II and

Annexure IX - Statement of tax shelter

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma	For the year ended 31 March 2013 Proforma
Restated profit/(loss) before tax	62.43	(159.44)	26.77	161.52	(231.84)
Tax rate	33.99%	33.99%	33.99%	33.99%	33.99%
Tax at statutory income tax rate	21.22	(54.19)	9.10	54.90	(78.80)
Permanent differences:					
Loss on sale of Property, Plant & Equipment	2.02	2.06	2.55	2.02	4.26
Capital gain on sale of investments	-	-	(355.32)	-	(5.33)
Donation	0.03	0.19	0.10	1.47	0.59
Loss on slump sale	-	-	32.45	-	-
Share based payments	0.03	(0.05)	0.21	0.28	4.87
Interest on Income Tax	-	-	0.02	-	-
Dividend on Mutual funds	-	-	-	-	(3.41)
Rates and taxes- Stamp duty expense	-	-	7.62	-	-
Rates and taxes - Expenses on increase in Authorised Capital	-	-	-	15.01	3.57
Total permanent differences	2.08	2.20	(312.37)	18.78	4.55
Temporary differences:					
Income from Serve from India Scheme	(6.97)	(9.36)	(5.64)	(2.97)	(0.39)
Bonus/Performance pay paid during the year	(19.84)	(23.18)	(19.70)	(17.40)	(16.14)
Provision for loyalty program	(0.14)	(1.15)	0.15	0.26	0.11
Expense on account of lease straightlining	18.09	20.58	10.59	2.75	0.30
Provision for doubtful debts	0.97	-	-	-	-
Provision for Gratuity	0.40	1.72	1.19	0.90	4.43
Provision for Leave encashment	0.54	0.03	(0.66)	0.82	0.67
Provision for Slow/Non Moving Inventory	1.38	0.81	1.04	-	-
Provision for litigations	0.90	1.95	-	-	-
Bonus/Performance pay not paid during the year	19.75	21.55	23.87	21.72	18.45
Expenses disallowed u/s 43B	4.66	24.41	55.05	15.60	(0.15)
Profit on relinquishment of rights	(60.00)	-	-	(443.99)	-
Depreciation as per Income Tax Act	(305.32)	(312.07)	(334.12)	(319.29)	(296.03)
Depreciation as per Companies Act	212.04	218.37	227.57	219.74	143.52
Brought forward losses	69.04	213.59	326.27	341.56	372.51
Total temporary differences	(64.50)	157.25	285.61	(180.30)	227.28
Tax on adjustments	(21.22)	54.19	(9.10)	(54.90)	78.80
MAT payable	8.91	3.92	28.07	18.70	-
Deferred tax (credit)/charge for the period/year (including MAT credit written off/ (entitlement))	-	-	9.10	-	(28.40)
Tax for the year	8.91	3.92	37.17	18.70	(28.40)
As per restated statement of profit and loss					
Current tax	8.91	3.92	28.07	18.70	-
Deferred tax	-	-	9.10	-	(28.40)
Total tax expense as per restated statement of profit and loss	8.91	3.92	37.17	18.70	(28.40)

Notes:

- 1) The permanent and temporary differences for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 have been computed based on the tax computations of the income tax returns for the respective years.
- 2) Tax rate includes applicable surcharge, education cess and secondary and higher education cess for the respective year concerned.
- 3) The aforesaid Statement of Tax Shelter has been prepared as per the standalone summary statement of assets and liabilities and profits and losses of the Company.
- 4) The above statement should be read with the notes to restated standalone summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure I, II and IV.

Auditors' Report on the restated consolidated summary statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013 and Profits and Losses, Statement of Changes in Equity and Cash Flows for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 of Lemon Tree Hotels Limited (collectively, the "Restated Consolidated Summary Statements")

To
The Board of Directors
Lemon Tree Hotels Limited
Asset No. 6,
Aerocity Hospitality District,
New Delhi – 110037

Dear Sirs,

1. We have examined the attached Restated Consolidated Summary Statements of Lemon Tree Hotels Limited ("Company") and its subsidiaries (together referred to as "the Group", refer note 32 of Annexure V to the attached Restated Consolidated Summary Statements for details) as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- a. sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"), read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and
- b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "ICDR Regulations").

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of Restated Consolidated Summary Statements which are to be included in the Draft Red Herring Prospectus ("DRHP") is the responsibility of the Management of the Company for the purpose set out in paragraph 14 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

- a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 23, 2017, requesting us to carry out work such assignment in connection with the proposed IPO;
- b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("the Guidance Note"); and
- c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an IPO which comprises an offer for sale made by certain shareholders' of existing equity shares of Rs 10 each, at such premium, arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Board of Directors of the Company.

Restated Consolidated Summary Statements as per audited consolidated financial statements:

5. The Restated Consolidated Summary Statements have 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 and have been compiled by the management from:

- a) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meeting held on June 15, 2017;
- b) the audited consolidated financial statements of the Company as at and for each of the years ended March 31, 2016 and 2015, prepared in accordance with accounting principles generally accepted followed in India ("Previous GAAP" or "Indian GAAP") at the relevant time, which have been approved by the Board of Directors at their meetings held on June 21, 2016 and June 17, 2015, respectively; and
- c) the audited consolidated financial statements of the Company as at and for each of the years ended March 31, 2014 and 2013, prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meetings held on June 10, 2014 and June 27, 2013, respectively.
- d) the financial information in relation to the Company's subsidiaries as listed below, which are included in the abovementioned consolidated financial statements :

Name of the entity	Name of the audit firm	Period covered
Fleur Hotels Private Limited	S. R. Batliboi & Co. LLP	As at and for the years ended March 31 2017, 2016 and 2015
	S. R. Batliboi & Associates LLP	As at and for the years ended March 31 2014 and 2013
Begonia Hotels Private Limited	Jain Jindal & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31, 2014 and 2013
Carnation Hotels Private Limited	Jain Jindal & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31, 2014 and 2013
Dandelion Hotels Private Limited	DSAS & Associates	As at and for the years ended March 31, 2017 and 2016
	PRA & Co.	As at and for the years ended March 31, 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31, 2014 and 2013.
Lemon Tree Hotel Company Private Limited	DSAS & Associates	As at and for the years ended March 31, 2017 and 2016
	PRA & Co.	As at and for the years ended March 31, 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31, 2014 and 2013
PSK Resorts & Hotels Private Limited	Krishan Rakesh & Co.	As at and for the years ended March 31, 2017, 2016 and 2015.
	APAS & Co.	As at and for the years ended March 31, 2014 and 2013
Canary Hotels Private Limited	APAS & Co.	As at and for the years ended March 31, 2017
	Jain Jindal & Co.	As at and for the years ended March 31, 2016 and 2015
	O.P. Bagla & Co.	As at and for the years ended March 31, 2014 and 2013
Grey Fox Project Management Company Private Limited	APAS & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31, 2014, and 2013
Nightingale Hotels Private Limited	Jain Jindal & Co.	As at and for the years ended March 31, 2017
	APAS & Co.	As at and for the years ended March 31 2016 and 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31 2014 and 2013
Oriole Dr Fresh Hotels Private Limited	APAS & Co.	As at and for the years ended March 31, 2017
	Jain Jindal & Co.	As at and for the years ended March 31 2016 and 2015

	O.P. Bagla & Co.	As at and for the years ended March 31 2014 and 2013
Red Fox Hotel Company Private Limited	DSAS & Associates.	As at and for the years ended March 31 2017 and 2016
	PRA & Co.	As at and for the years ended March 31 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31 2014 and 2013
Sukhsagar Complexes Private Limited	Jain Jindal & Co.	As at and for the years ended March 31, 2017
	APAS & Co.	As at and for the years ended March 31 2016 and 2015
	O.P. Bagla & Co.	As at and for the years ended March 31 2014
	Krishan Rakesh & Co.	As at and for the years ended March 31 2013
Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Jain Jindal & Co.	As at and for the years ended March 31, 2017
	APAS & Co.	As at and for the years ended March 31 2016 and 2015
	O.P. Bagla & Co.	As at and for the years ended March 31 2014 and 2013
Celsia Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	APAS & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	O.P. Bagla & Co.	As at and for the years ended March 31 2014 and 2013
Inovoa Hotels & Resorts Limited (Subsidiary of Fleur Hotels Private Limited)	Jain Jindal & Co.	As at and for the years ended March 31, 2017
	APAS & Co.	As at and for the years ended March 31, 2016 and 2015
	O.P. Bagla & Co.	As at and for the period from July 4, 2013 till March 31 2014
IORA Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Jain Jindal & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the period from November 14, 2013 till March 31 2014
Ophrys Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	DSAS & Associates	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the period from January 10, 2014 till March 31 2014
Valerian Management Services Private Limited (Subsidiary of Grey Fox Project Management Company Private Limited)	APAS & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the period from September 16, 2013 till March 31 2014
Citrus Hotels Private Limited	Krishan Rakesh & Co.	As at and for the years ended March 31 2014 and 2013
Meringue Hotels Private Limited	Jain Jindal & Co.	As at and for the years ended March 31, 2017, 2016 and 2015
	Krishan Rakesh & Co.	As at and for the years ended March 31 2014 and 2013
Hyacinth Hotels Private Limited	S. R. Batliboi & Co. LLP	As at and for the years ended March 31 2017 and 2016
	Jain Jindal & Co.	As at and for the years ended March 31 2015
	O.P. Bagla & Co.	As at and for the years ended March 31 2014
	Krishan Rakesh & Co.	As at and for the years ended March 31 2013
Pelican Facilities Management Private Limited	DSAS & Associates	As at and for the years ended March 31 2015, 2016 and 2017
	Krishan Rakesh & Co.	As at and for the years ended March 31 2014 and 2013

Bandhav Resorts Private Limited	APAS & Co.	As at and for the period from May 13, 2016 till March 31, 2017

6. For the purpose of our examination, we have relied on:

- Auditor's reports issued by us dated June 15, 2017, June 21, 2016 and June 17, 2015 on the consolidated financial statements of the Company as at and for the years ended March 31, 2017, 2016 and 2015, respectively, as referred in paragraph 5(a) and 5(b) above; and
- Auditor's reports issued by S.R. Batliboi & Associates LLP, (hereinafter referred as "SRBA"), dated June 10, 2014 and June 27, 2013 on the consolidated financial statements of the Company as at and for the years ended March 31, 2014 and 2013, respectively, as referred in paragraph 5(c) above.
- As indicated in auditors report on consolidated financial statements as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 referred to in paragraph 6(a) and (b) above, we did not audit financial statements of certain subsidiaries, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Restated Consolidated Summary Statements, for the relevant years is tabulated below:

(Rs. in Million)				
Year ended	Number of subsidiaries	Total assets	Total revenues	Net cash (outflows) / inflows
March 31, 2017	20	9,738.29	1,292.00	29.21
March 31, 2016	19	7,600.72	1,130.04	(148.38)
March 31, 2015	20	9,659.82	970.35	121.97
March 31, 2014	21	8,824.64	590.76	30.10
March 31, 2013	17	7,222.05	495.37	(57.06)

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(d) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely on the report of other auditors.

- The examination reports issued by the auditors of subsidiaries of the Company on the restated standalone summary statement of the respective subsidiary as at and for the year/period, which forms the basis of our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements, as referred to in paragraph 6(c) above, are mentioned below:

Name of the entity	Name of Auditor	Examination Report Date
Begonia Hotels Private Limited	Jain Jindal & Co.	August 21, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Carnation Hotels Private Limited	Jain Jindal & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Dandelion Hotels Private Limited	DSAS & Associates	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Lemon Tree Hotel Company Private Limited	DSAS & Associates	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
PSK Resorts & Hotels Private Limited	APAS & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013

Canary Hotels Private Limited	APAS & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Grey Fox Project Management Company Private Limited	APAS & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Nightingale Hotels Private Limited	Jain Jindal & Co.	August 21, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Oriole Dr Fresh Hotels Private Limited	APAS & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Red Fox Hotel Company Private Limited	DSAS & Associates	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Sukhsagar Complexes Private Limited	Jain Jindal & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Jain Jindal & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Celsia Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	APAS & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014, and 2013
Inovia Hotels & Resorts Limited (Subsidiary of Fleur Hotels Private Limited)	Jain Jindal & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015 and for the period from July 4, 2013 to March 31 2014.
IORA Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Jain Jindal & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015 and for the period from November 14, 2013 to March 31 2014.
Ophrys Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	DSAS & Associates	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015 and for the period from January 10, 2014 to March 31 2014.
Valerian Management Services Private Limited (Subsidiary of Grey Fox Project Management Company Private Limited)	APAS & Co.	August 11, 2017 as at and for the years ended March 31, 2017, 2016, 2015 and or the period from September 16, 2013 to March 31 2014
Citrus Hotels Private Limited	Krishan Rakesh & Co.	August 11, 2017 as at and for the years ended March 31, 2014 and 2013
Bandhav Resorts Private Limited	APAS & Co.	August 11, 2017 as at and for the period from May 13, 2016 to March 31, 2017
Meringue Hotels Private Limited	Jain Jindal & Co.	August 18, 2017 as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013

Pelican Facilities Management Private Limited	DSAS & Associates	August 11, 2017 as at and for the years ended March 31 2017, 2016, 2015, 2014 and 2013

For the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, share of above mentioned subsidiaries in the total assets, total revenues and net cash inflows /(outflows) included in the Restated Consolidated Summary Statements, for the relevant years is tabulated below:

(Rs. in Million)				
Year ended	Number of subsidiaries	Total assets	Total revenues	Net cash (outflows) / inflows
March 31, 2017	20	9,708.20	1,282.54	29.21
March 31, 2016	19	9,050.47	1,130.96	(148.38)
March 31, 2015	19	7,650.31	714.37	125.29
March 31, 2014	20	6,032.93	550.07	21.39
March 31, 2013	16	4,245.99	495.36	(20.73)

These restated standalone summary statements have been examined by other firm of Chartered Accountants, APAS & Co., Jain Jindal & Co., Krishan Rakesh & Co. and DSAS & Associates, whose examination reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely on the examination reports of other auditors. These other auditors, as mentioned above, have confirmed that:

- a) these restated standalone summary statements have been made after making incorporating such adjustments, as fully described in the notes appearing in Annexure VI to this report, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- b) these restated standalone summary statements have been made after incorporating adjustments and regroupings for the material amounts in the respective financial years / periods to which they relate; and
- c) these restated standalone summary statements do not contain any extra-ordinary items that need to be disclosed separately in the restated standalone summary statements, examined by them, and do not contain any qualification requiring adjustments.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Consolidated Summary Statements which as stated in Para 2.1 of Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Restated Consolidated Summary Statement of Material Adjustments and Regroupings, read with paragraph 10 and paragraph 11 below:

- a) The restated consolidated summary statement of assets and liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure I to this report.
- b) The restated consolidated summary statement of profit and loss of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure II to this report.
- c) The restated consolidated summary statement of changes in equity of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure III to this report.
- d) The restated consolidated summary statement of cash flows of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure IV to this report.
- e) Based on the above and according to the information and explanations given to us, and also as per reliance placed on the reports submitted by the other auditors as referred to in paragraph 6(d) above for the respective years, we further report that Restated Consolidated Summary Statements of the Company, as attached to this report, read with basis of preparation and respective significant accounting policies given

in Annexure V as described in paragraph 5 have been prepared in accordance with the Rules, and the SEBI Regulations and that these Restated Consolidated Summary Statements:

- i) have been made after making such adjustments and regroupings, as fully described in the notes appearing in Annexure VI to this report, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial years to which they relate;
- iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statement; and
- iv) there are no qualifications in the auditors' reports on the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which require any adjustments to the Restated Consolidated Summary Statements, except for the following qualification included in the auditor's report on the consolidated financial statements as at and for each of the years ended March 31, 2015, 2014 and 2013, which have not been adjusted to the Restated Consolidated Summary Statement as the money was collected during the year ended March 31, 2016 and March 31, 2017 as stated as Note 12 of Annexure VI:

As at and for the year ended March 31, 2015

Attention is invited to Note 15 which explain recovery of advance of Rs 351,938,885 (As at March 31, 2014: Rs. 351,938,885) (including other charges) given to a developer in earlier years, the recovery of which is still awaited and the company had initiated the legal actions against the developer in this respect, more fully described therein. Pending the final outcome of the aforementioned matters, we are unable to comment upon any consequential adjustments, if any, to the financial statement in this regard.

This matter was also subject matter for qualification in the years ended March 31, 2014 and 2013.

- v) Emphasis of Matter included in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2013, which do not require any corrective adjustment in the Restated Consolidated Summary Statement, is as follows (also refer Notes 43 of Annexure V) :

As at and for the year ended March 31, 2013

We draw attention to note no. 28(a) of the accompanying financial statement, relating to the accounting treatment adopted by the Company pursuant to a scheme of arrangement approved by the Honourable High Court of Delhi, where by the Company in its financial statement has adjusted difference aggregating to Rs 308,617,000 against the Securities premium account. The said treatment, although approved by the Honourable High court, is different from the accounting treatment prescribed under the Accounting Standards as both goodwill and securities premium account are lower by the said amount of Rs 308,617,000.

- vi) Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2015, as applicable, on the standalone statutory financial statement for the year ended March 31, 2015, which do not require any corrective adjustment in the Restated Standalone Summary Statement, are as follows:

As at and for the year ended March 31, 2015

- i) Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

- ii) Clause (vii) (b)

According to the information and explanations given to us, and as reported by other auditors who audited the financial statements of the certain covered entities, undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues which

were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Company	Nature	Name of the Statute	Nature of dues	Amount (Rs.) (In Rs Mn)	Period to which the amount relates	Due Date	Date of Payment
Celsia Hotels Private Limited	Subsidiary	Karnataka Labour Welfare Fund	Unpaid Employee Dues	0.30	FY 2009-10 to 2011-2012	31-Mar-15	Not paid

iii) Clause (vii) (c)

According to the records of the Company, the due outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the Company	Name of the Statute	Nature of dues	Disputed amount (Rs. In Mn)	Amount paid under protest (Rs. In Mn)	Period to which the amount relates	Forum where dispute is pending
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	7.01	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate tribunal
Lemon Tree Hotels Limited	Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.69	Nil	FY 2010-11	Mumbai Tribunal
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	2.04	Nil	FY 2012-13	Central Excise and Service Tax Appellate tribunal
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	4.71	Nil	FY 2013-14	Commissioner of Service Tax
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	17.01	Nil	FY 2013-14	Central Excise and Service Tax Appellate tribunal
Fleur Hotels Private Limited	Andhra Pradesh Value Added Tax, 2005	VAT	4.35	1,873,593	AY 2008-09 to AY 2012-13	Assessing Officer, Commercial tax of Andhra Pradesh, Hyderabad
Fleur Hotels Private Limited	Service Tax Rule, 1994	Service Tax	9.24	Nil	October 2010 – March 2011	Central Excise and Service Tax Appellate tribunal
Canary Hotels Private Limited	UP Value Added Tax Act, 2008	VAT	0.10	Nil	Year 2009-10	Additional Commissioner (Appeals), Ghaziabad
Nightingale Hotels Private Limited	Income Tax Act, 1961	Income Tax	0.7	Nil	AY 2011-12	Appeal pending with Commissioner (Appeals)

iv) Clause (viii)

The accumulated losses of the Covered entities at the end of the financial year are less than fifty per cent of its net worth except four companies out of the Covered entities of the Group. The Holding Company and eight subsidiary companies have incurred cash losses in the current financial year. In the immediately preceding financial year, the Holding Company and eleven subsidiary companies had incurred cash losses.

8. We have not audited any financial statement of the Group for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following restated consolidated financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the each of the years ended March 31, 2017, 2016, 2015 2014 and 2013:

- a. Consolidated Restated Summary Statement of Material Adjustments and Regroupings, as Annexure VI,
- b. Restated Consolidated Statement of tax shelters, as Annexure VII,
- c. Restated Consolidated Statement of Accounting Ratios, as Annexure VIII,
- d. Restated Consolidated Capitalisation Statement, as Annexure IX,

10. According to the information and explanations given to us, in our opinion, the Restated Consolidated Summary Statements for the years ended March 31, 2017 and March 31, 2016 and the abovementioned restated consolidated financial information contained in Annexures V accompanying this report, read with Summary of Significant Accounting Policies disclosed in Para 2 of Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VIA and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. According to information and explanation given to us in our opinion, the Proforma Ind AS Restated Consolidated Summary Statements of the Company as at March 31, 2015, 2014 and 2013 and for the years ended March 31, 2015, 2014 and 2013, read with Summary of Significant Accounting Policies disclosed in Para 2 of Annexure V, are prepared after making proforma adjustments as mentioned in Annexure VI and have been prepared in accordance with the Rules, ICDR Regulations and the Guidance Note.

12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statement referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with SEBI in connection with the proposed IPO of the Company. Our report should not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005

per Sanjay Vij

Partner

Membership Number: 95169

Place of Signature: Gurgaon

Date: September 14, 2017

Lemon Tree Hotels Limited
Annexure I Restated consolidated statement of assets and liabilities

	Note of Annexure V	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
ASSETS						
Non-current assets						
(a) Property, plant and equipment	3	14,072.32	12,275.51	12,320.28	11,508.01	8,124.06
(b) Capital work-in-progress	4	3,494.06	2,592.47	1,671.20	1,349.40	3,069.12
(c) Investment Property	5	25.01	25.45	25.89	26.33	-
(d) Goodwill	6	67.34	-	-	88.00	-
(e) Intangible assets	6	18.76	13.32	16.31	21.20	16.79
(f) Intangible assets under development	6	14.04	-	-	-	-
(g) Financial assets	7					
(i) Investments		0.02	0.11	0.11	0.09	0.08
(ii) Loans		108.56	76.16	92.46	106.31	54.65
(iii) Other non- current financial assets		397.02	349.19	268.09	205.35	131.34
(h) Deferred tax assets (net)	18	-	-	3.86	-	-
(i) Non-current tax assets	8	209.98	193.97	159.64	79.70	91.29
(j) Other non-current assets	9	2,906.16	3,826.26	3,456.01	2,508.99	2,025.87
		<u>21,313.27</u>	<u>19,352.44</u>	<u>18,013.85</u>	<u>15,893.38</u>	<u>13,513.20</u>
Current assets						
(a) Inventories	10	49.37	53.85	48.08	46.70	42.97
(b) Financial assets	11					
(i) Trade receivables		314.45	244.83	179.05	159.63	148.42
(ii) Cash and Cash equivalents		175.92	138.07	300.37	723.89	135.75
(iii) Investments	7	63.39	57.66	312.36	383.73	1,860.03
(iv) Loans		4.69	6.44	7.97	6.28	8.37
(v) Other current financial assets		3.15	5.78	3.13	2.56	2.56
(c) Other current assets	12	193.08	200.05	96.72	102.79	106.52
		<u>804.05</u>	<u>706.68</u>	<u>947.68</u>	<u>1,425.58</u>	<u>2,304.62</u>
Total Assets		<u><u>22,117.32</u></u>	<u><u>20,059.12</u></u>	<u><u>18,961.53</u></u>	<u><u>17,318.96</u></u>	<u><u>15,817.82</u></u>
EQUITY AND LIABILITIES						
Equity						
(a) Share capital	13	7,812.13	7,780.41	7,764.26	1,286.17	1,267.77
(b) Other Equity	14	273.59	318.58	337.62	6,706.25	7,111.22
(c) Non-controlling interests	15	4,283.62	4,277.34	4,222.71	2,895.48	2,093.95
Total Equity		<u>12,369.34</u>	<u>12,376.33</u>	<u>12,324.59</u>	<u>10,887.90</u>	<u>10,472.94</u>
Liabilities						
Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	16	6,907.03	5,237.30	4,865.95	4,585.01	3,705.84
(ii) Other non- current financial liabilities		4.85	14.48	15.70	49.52	40.10
(b) Long term provisions	17	13.56	11.89	9.49	7.16	5.40
(c) Deferred tax liabilities (net)	18	67.50	68.97	-	2.56	49.23
(d) Other non-current liabilities	19	208.28	143.40	80.90	51.04	34.84
		<u>7,201.22</u>	<u>5,476.04</u>	<u>4,972.04</u>	<u>4,695.29</u>	<u>3,835.41</u>
Current liabilities						
(a) Financial liabilities	20					
(i) Borrowings		674.60	694.92	669.37	813.01	433.09
(ii) Trade payables		604.27	511.34	334.00	459.02	114.44
(iii) Other current financial liabilities		1,058.38	853.24	563.19	371.30	856.83
(b) Provisions	17	22.65	17.25	11.05	9.78	8.88
(d) Other current liabilities	21	186.86	130.00	87.29	82.66	96.23
		<u>2,546.76</u>	<u>2,206.75</u>	<u>1,664.90</u>	<u>1,735.77</u>	<u>1,509.47</u>
Total Liabilities		<u>9,747.98</u>	<u>7,682.79</u>	<u>6,636.94</u>	<u>6,431.06</u>	<u>5,344.88</u>
Total Equity and Liabilities		<u><u>22,117.32</u></u>	<u><u>20,059.12</u></u>	<u><u>18,961.53</u></u>	<u><u>17,318.96</u></u>	<u><u>15,817.82</u></u>

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij

Partner

Membership No. 95169

For and on behalf of the Board of Directors of

Lemon Tree Hotels Limited

Patanjali G. Keswani

(Chairman & Managing Director)

DIN-00002974

Kapil Sharma

(Chief Financial Officer)

Nikhil Sethi

(Group Company Secretary & GM Legal)

Place : Gurgaon

Date : September 14, 2017

Place : New Delhi

Date : September 14, 2017

Lemon Tree Hotels Limited
Annexure II Restated consolidated statement of profit and loss

	Note of Annexure V	Year ended March 31, 2017 Rs. In million	Year ended March 31, 2016 Rs. In million	Year ended March 31, 2015 Rs. In million Proforma	Year ended March 31, 2014 Rs. In million Proforma	Year ended March 31, 2013 Rs. In million Proforma
I Revenue						
Revenue from operations	22	4,119.34	3,679.53	2,903.62	2,217.23	2,148.15
Other income	23	62.02	21.21	12.16	12.38	26.23
Total Income		4,181.36	3,700.74	2,915.78	2,229.61	2,174.38
II Expenses						
Cost of food and beverages consumed	24	353.27	346.11	284.41	244.24	221.01
Employee benefits expense	25	968.89	854.03	781.80	646.35	563.59
Other expenses	26	1,633.53	1,467.73	1,330.35	1,093.27	988.81
Total Expenses		2,955.70	2,667.87	2,396.56	1,983.86	1,773.41
III Restated earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		1,225.67	1,032.87	519.22	245.75	400.97
Finance costs	27	775.92	720.23	724.60	487.64	477.78
Finance income	28	(35.62)	(37.21)	(121.45)	(195.64)	(88.73)
Depreciation and amortization expense	29	510.12	522.61	516.87	309.66	237.43
IV Restated profit/(loss) before tax		(24.75)	(172.76)	(600.80)	(355.91)	(225.51)
V Tax expense:						
Current tax		13.72	12.07	(0.55)	18.78	0.13
Minimum Alternate Tax (MAT)		17.19	15.70	36.41	65.04	0.91
Deferred tax charge/ (credit)		16.04	97.46	(4.31)	(46.66)	(26.82)
		46.95	125.23	31.55	37.16	(25.78)
VI Restated profit/ (loss)		(71.70)	(297.99)	(632.35)	(393.05)	(199.73)
VII Other comprehensive income						
(i) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit plans		1.04	0.57	0.05	(1.37)	3.97
Income tax effect		(0.29)	-	0.07	0.22	(0.00)
Restated comprehensive income (net of taxes)		0.75	0.57	0.12	(1.15)	3.97
VIII Total Restated comprehensive income / (loss)		(70.95)	(297.42)	(632.23)	(394.20)	(195.76)
Restated profit / (loss)		(71.70)	(297.99)	(632.35)	(393.05)	(199.73)
Attributable to:						
Equity holders of the parent		(82.16)	(312.00)	(534.06)	(493.26)	(206.65)
Non-controlling interests		10.46	14.01	(98.29)	100.20	6.92
Total Restated comprehensive income / (loss)		(70.95)	(297.42)	(632.23)	(394.20)	(195.76)
Attributable to:						
Equity holders of the parent		(82.93)	(311.47)	(533.78)	(494.53)	(202.68)
Non-controlling interests		11.98	14.05	(98.45)	100.33	6.92

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited**

per Sanjay Vij
Partner
Membership No. 95169

Patanjali G. Keswani
(Chairman & Managing Director)
DIN-00002974

Kapil Sharma
(Chief Financial Officer)

Nikhil Sethi
(Group Company Secretary & GM Legal)

Place : Gurgaon
Date : September 14, 2017

Place : New Delhi
Date : September 14, 2017

Lemon Tree Hotels Limited
Annexure III Restated consolidated statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

No. of shares	Amount (Rupees)
7,35,61,585	735.62
2,15,766	2.16
5,29,99,572	529.99
12,67,76,923	1,267.77
13,09,935	13.10
5,29,751	5.30
12,86,16,609	1,286.17
64,61,25,652	6,461.26
6,563	0.06
16,76,916	16.77
77,64,25,740	7,764.26
4,19,539	4.19
11,95,852	11.96
77,80,41,131	7,780.41
28,71,902	28.72
3,00,000	3.00
78,12,13,033	7,812.13

At 1 April 2012 (Proforma)

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2013 (Proforma)

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2014 (Proforma)

Issued during the year - Bonus issue

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2015 (Proforma)

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2016

Issued during the year - Exercise of ESOP

Issued during the year - other than ESOP

At 31 March 2017

B. Other Equity

	Capital reserve	Capital redemption reserve	Reserves and Surplus				Other equity	Non-controlling interest
	Rs. In million	Rs. In million	Securities Premium	Share Based Payments	General Reserve	Retained Earnings		
	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million
Restated balance at 1 April 2012 (Proforma)	-	4.50	3,211.17	28.08	303.52	(198.11)	3,349.16	353.83
Restated profit / (loss) for the year	-	-	-	-	-	(206.65)	(206.65)	6.92
Remeasurement gains / (losses) on defined benefit plans	-	-	-	-	-	3.97	3.97	0.01
Gain on deemed disposal of subsidiary (Also refer note 43)	1,217.61	-	-	-	-	-	1,217.61	-
Proportionate reduction in Goodwill on deemed disposal (Also refer note 43)	(289.80)	-	-	-	-	-	(289.80)	-
Goodwill netted off with capital reserve	(904.08)	-	-	-	-	-	(904.08)	-
Issue of share capital	-	-	2,366.09	-	-	-	2,366.09	-
Share-based payments	-	-	-	18.50	-	-	18.50	-
Exercise of share options	-	-	10.82	-	-	-	10.82	-
Amount transferred from share based payment reserve to securities premium	-	-	2.89	(2.89)	-	-	-	-
On amalgamation of subsidiaries	-	-	-	-	-	(36.28)	(36.28)	-
On merger with Spank Hotels Private Limited (Also refer note 49)	-	-	1,591.08	-	-	56.63	1,647.71	-
On merger with Spank Hotels Private Limited for shares issued during the period April 1, 2011 to March 31, 2012 (Also refer note 49)	-	-	242.79	-	-	-	242.79	-
Adjustment on merger with Spank Hotels Private Limited (Also refer note 49)	-	-	(308.62)	-	-	-	(308.62)	-
Movement during the year	-	-	-	-	-	-	-	1,733.20
Restated balance at 31 March 2013 (Proforma)	23.73	4.50	7,116.22	43.69	303.52	(380.44)	7,111.22	2,093.95
Restated profit / (loss) for the year	-	-	-	-	-	(493.26)	(493.26)	100.20
Remeasurement gains (losses) on defined benefit plans	-	-	-	-	-	(1.27)	(1.27)	0.12
Goodwill netted off with capital reserve	(23.73)	-	-	-	-	-	(23.73)	-
On inclusion of new subsidiaries	-	-	-	-	-	(0.20)	(0.20)	-
Issue of share capital	-	-	34.18	-	-	-	34.18	-
Share-based payments	-	-	-	0.28	-	-	0.28	-
Exercise of share options	-	-	77.07	-	-	-	77.07	-
Amount transferred from share based payment reserve to securities premium	-	-	19.66	(17.70)	-	-	1.96	-
Balance at 31 March 2014 (Proforma)	-	4.50	7,247.13	26.27	303.52	(875.17)	6,706.25	2,895.48
Restated profit / (loss) for the year	-	-	-	-	-	(534.06)	(534.06)	(149.15)
Remeasurement gains (losses) on defined benefit plans	-	-	-	-	-	0.28	0.28	(0.17)
Issue of share capital	-	-	73.26	-	-	-	73.26	-

Lemon Tree Hotels Limited
Annexure III Restated consolidated statement of Changes in Equity

	Reserves and Surplus						Total equity	Non-controlling interest
	Capital reserve	Capital redemption reserve	Securities Premium	Share Based Payments	General Reserve	Retained Earnings		
	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million	Rs. In million
Gain on deemed disposal of subsidiary (Also refer note 43)	644.58	-	-	-	-	-	644.58	-
Proportionate reduction in Goodwill on deemed disposal (Also refer note 43)	(72.70)	-	-	-	-	-	(72.70)	-
Goodwill netted off with capital reserve	(21.81)	-	-	-	-	-	(21.81)	-
Share-based payments	-	-	-	1.32	-	-	1.32	-
Exercise of share options	-	-	1.12	-	-	-	1.12	-
Amount transferred from share based payment reserve to securities premium	-	-	0.25	(0.25)	-	-	-	-
Amounts utilized toward issue of fully paid bonus shares	-	-	(6,461.26)	-	-	-	(6,461.26)	-
Movement during the year	-	-	-	-	-	-	-	1,476.54
Balance at 31 March 2015 (Proforma)	550.07	4.50	860.50	27.34	303.52	(1,408.95)	336.98	4,222.71
Impact of Ind AS adjustments for earlier years on reserves (Refer note 15 of Annexure VI)	-	-	-	(24.68)	-	25.32	0.64	-
Restated balance at 1 April 2015	550.07	4.50	860.50	2.66	303.52	(1,383.63)	337.62	4,222.71
Restated profit / (loss) for the year	-	-	-	-	-	(312.00)	(312.00)	14.01
Remeasurement gains (losses) on defined benefit plans	-	-	-	-	-	0.54	0.54	0.04
Gain on deemed disposal of subsidiary (Also refer note 43 & 44)	269.63	-	-	-	-	-	269.63	-
Proportionate reduction in Goodwill on deemed disposal (Also refer note 43 & 44)	(1.22)	-	-	-	-	-	(1.22)	-
Issue of share capital	-	-	7.77	-	-	-	7.77	-
Share-based payments	-	-	-	14.87	-	-	14.87	-
Exercise of share options	-	-	1.37	-	-	-	1.37	-
Amount transferred from share based payment reserve to securities premium	-	-	0.35	(0.35)	-	-	-	-
Movement during the year	-	-	-	-	-	-	-	40.58
Balance at 31 March 2016	818.48	4.50	869.99	17.18	303.52	(1,695.09)	318.58	4,277.34
Restated profit / (loss) for the year	-	-	-	-	-	(82.16)	(82.16)	10.46
Remeasurement gains (losses) on defined benefit plans	-	-	-	-	-	(0.77)	(0.77)	1.52
Issue of share capital	-	-	3.45	-	-	-	3.45	-
Share-based payments	-	-	-	11.41	-	-	11.41	-
Exercise of share options	-	-	17.62	-	-	-	17.62	-
Amount transferred from share based payment reserve to securities premium	-	-	4.38	(4.38)	-	-	-	-
Movement during the year	5.46	-	-	-	-	-	5.46	(5.70)
Balance at 31 March 2017	823.94	4.50	895.44	24.21	303.52	(1,778.03)	273.59	4,283.62

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

per Sanjay Vij

Partner

Membership No. 95169

For and on behalf of the Board of Directors of

Lemon Tree Hotels Limited

Patanjali G. Keswani

(Chairman & Managing Director)

DIN-00002974

Nikhil Sethi

(Group Company Secretary & GM Legal)

Kapil Sharma

(Chief Financial Officer)

Place : Gurgaon

Date : September 14, 2017

Place : New Delhi

Date : September 14, 2017

Lemon Tree Hotels Limited
Annexure IV Restated consolidated statement of cash flows

	For the year ended March 31, 2017 Rs. In million	For the year ended March 31, 2016 Rs. In million	For the year ended March 31, 2015 Rs. In million Proforma	For the year ended March 31, 2014 Rs. In million Proforma	For the year ended March 31, 2013 Rs. In million Proforma
A. Cash flow from operating activities					
(Loss) before tax (as restated)	(24.75)	(172.76)	(600.80)	(355.91)	(225.51)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:					
Depreciation and amortisation expenses	510.12	522.61	516.87	309.66	237.43
Lease equalisation reserve / (reversal)	64.88	67.30	25.07	16.20	(77.43)
Finance income (including fair value change in financial instruments)	(32.97)	(20.16)	(54.26)	(47.98)	(68.01)
Profit on sale of investment	(2.65)	(17.05)	(67.19)	(147.20)	(9.19)
Dividend income on mutual funds	-	-	-	(0.45)	(11.52)
Finance costs	737.04	686.74	692.83	457.23	454.27
Advance written off	0.26	5.54	0.01	0.35	-
Provision for gratuity	3.79	3.37	3.16	0.08	9.21
Provision for leave encashment	2.12	1.05	0.49	1.21	1.35
Share based payments to employees	11.41	14.87	(23.35)	2.24	18.49
Profit on relinquishment of rights	(43.95)	-	-	-	-
Excess provision/ credit balances written back	(0.06)	(3.22)	(0.36)	(4.53)	(1.97)
Provision for litigations	2.20	4.75	-	-	-
Provision for doubtful debts	2.25	1.21	1.22	-	0.25
Net (gain)/ loss on sale of property, plant and equipment	2.16	5.35	2.81	2.26	4.26
Operating profit before working capital changes:	1,231.85	1,099.60	496.50	233.15	331.63
Movements in working capital:					
Change in trade receivables	(71.87)	(66.98)	(20.65)	(11.20)	(19.05)
Change in loans and advances and other current assets	(115.43)	(726.09)	(876.21)	(195.11)	106.45
Change in inventories	4.48	(5.78)	(1.38)	(3.73)	(6.83)
Change in liabilities and provisions	316.34	501.61	22.88	(54.86)	(142.06)
Cash Generated from / (used in) Operations	1,365.36	802.36	(378.86)	(31.75)	270.14
Direct taxes paid (net of refunds)	(40.48)	(122.12)	(130.75)	59.72	(27.15)
Net cash flow from operating activities (A)	1,324.89	680.24	(509.61)	27.97	242.99
B. Cash flows used in investing activities					
Purchase of Property, Plant & Equipment including CWIP and capital advances	(2,349.66)	(1,323.87)	(1,701.24)	(2,492.67)	(1,266.79)
Proceeds from sale of Property, Plant & Equipment	6.96	4.41	79.79	3.37	292.32
Acquisition of shares in subsidiaries	(37.21)	-	(72.41)	(233.78)	(1,012.58)
Proceeds from relinquishment of rights	60.00	-	-	-	-
(Purchase)/sale of other non current investments	0.09	0.00	(0.02)	(0.00)	0.00
Sale of current investments	316.68	713.34	5,510.66	9,644.62	5,434.24
Purchase of current investments	(319.76)	(441.58)	(5,372.10)	(8,021.10)	(7,285.07)
Finance income	32.97	20.15	54.25	47.97	68.00
Dividend income on mutual funds	-	-	-	0.45	11.52
Net Cash flow used in investing activities (B)	(2,289.93)	(1,027.55)	(1,501.07)	(1,051.14)	(3,758.36)
C. Cash flows from financing activities					
Proceeds from issuance of share capital	1.20	25.29	115.87	129.45	2,586.80
Proceeds from Share Application Money received	-	-	-	-	16.67
Proceeds from Non-controlling interest (issuance of share capital by Subsidiaries)	-	309.00	2,041.66	911.26	2,677.38
Proceeds from long term borrowings	2,357.24	823.22	894.92	2,878.61	1,980.73
Repayment of long term borrowings	(598.18)	(311.31)	(629.46)	(2,230.69)	(3,097.87)
Proceeds / (Repayments) from short term borrowings	(20.32)	25.55	(143.64)	379.91	(200.74)
Interest paid	(737.04)	(686.74)	(692.19)	(457.23)	(454.42)
Net Cash from financing activities (C)	1,002.90	185.01	1,587.16	1,611.31	3,508.55

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Lemon Tree Hotels Limited
Annexure IV Restated consolidated statement of cash flows

	For the year ended March 31, 2017 Rs. In million	For the year ended March 31, 2016 Rs. In million	For the year ended March 31, 2015 Rs. In million Proforma	For the year ended March 31, 2014 Rs. In million Proforma	For the year ended March 31, 2013 Rs. In million Proforma
Net increase/(decrease) in cash and cash equivalents (A + B + C)	37.85	(162.30)	(423.52)	588.14	(6.82)
Cash and cash equivalents at the beginning of the year	138.07	300.37	723.89	135.75	116.23
Cash and cash equivalents acquired on acquisition of subsidiary					9.13
Cash and cash equivalents acquired on amalgamation	-	-	-	-	17.21
Cash and cash equivalents at the end of the year	175.92	138.07	300.37	723.89	135.75
Components of cash and cash equivalents					
Cash on Hand	3.95	6.58	6.73	6.61	9.23
Balances with Scheduled Banks in					
- Current accounts	171.97	131.49	293.64	408.00	126.52
- Deposits with original maturity of less than three months	-	-	-	301.36	-
- Cheques on hand				7.92	-
Total cash and cash equivalents	175.92	138.07	300.37	723.89	135.75

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of

Lemon Tree Hotels Limited

per Sanjay Vij

Partner

Membership No. 95169

Patanjali G. Keswani

(Chairman & Managing Director)

DIN-00002974

Kapil Sharma

(Chief Financial Officer)

Nikhil Sethi

(Group Company Secretary & GM Legal)

Place : Gurgaon

Date : September 14, 2017

Place : New Delhi

Date : September 14, 2017

1. Corporate Information

Lemon Tree Hotels Limited (the Company) and its subsidiaries (collectively, the Group) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Asset No. 6, Aerocity Hospitality District, New Delhi-110037.

The principal activities of the Group is to carry out business of developing, owning, acquiring, renovating and promoting hotels, motels, resorts, restaurants, etc. under the brand name of Lemon Tree Hotel, Lemon Tree Premier and Red Fox Hotel. These Restated Consolidated Summary statement and Other Consolidated Financial Information were approved by the Board of Directors of the Company on 14 September 2017.

2.1 Basis of preparation

The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended March 31, 2017 and March 31, 2016 and Restated Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial statements for the years ended March 31, 2015, 2014 and 2013 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2015, 2014, and 2013 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2015). The basis of preparation for specific items where exemptions has applied are as follows:

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2015 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets and investment property.
- For leases of both land and building elements, the Group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).

- The Group has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Group has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share based payments as per Ind AS 102 'share based payments' that vested before 1 April 2012.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the existing exemption on the date of transition (i.e. April 1, 2015) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.
- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS Consolidated financial information for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS Consolidated financial information has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 15 of Annexure VI.

The Restated Consolidated Financial Information (including Restated Consolidated Ind AS financial information for the year ended March 31, 2017 and March 31, 2016 and Restated Consolidated Proforma Ind AS financial information for the year ended March 31, 2015, 2014 and 2013) have been compiled by the Group from the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015, 2014 and 2013 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

For all periods up to and including the year ended March 31, 2016, the Group prepared its audited Consolidated financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Consolidated financial statements for the year ended March 31, 2017 were the first the Group had prepared in accordance with Ind AS. The date of transition to Ind AS was April 1, 2015.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2016, 2015, 2014 and 2013 and of the Restated Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2016, 2015, 2014 and 2013.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with SEBI, in accordance with the requirements of:

- a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
- c) Guidance note on reports in company prospectuses issued by ICAI

These Restated Consolidated Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

2.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- (d) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
 - Derecognises the assets (including goodwill) and liabilities of the subsidiary
 - Derecognises the carrying amount of any non-controlling interests
 - Derecognises the cumulative translation differences recorded in equity
 - Recognises the fair value of the consideration received
 - Recognises the fair value of any investment retained
 - Recognises any surplus or deficit in profit or loss
 - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies**(a) Business combinations and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 at fair value less cost of disposal. Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest 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.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(c) Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(d) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 37)
- Financial instruments (including those carried at amortised cost) (note 37)

(e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into the Hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of Service Tax, Value Added Taxes (VAT) and Luxury Tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of Sales Tax / VAT.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed & variable income. Fixed income is recognised pro-rata over the period of the contract as and when services are rendered. Variable income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

(f) Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets (including MAT credit) are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(g) Property, plant and equipment

On transition to IND AS, the Group has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Capital work in progress is stated at cost less impairment, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Fixed Assets	Useful life considered (SLM) 2017	Useful life considered (SLM) 2016	Useful life considered (SLM) 2015 Proforma	Useful life considered (SLM) 2014 Proforma	Useful life considered (SLM) 2013 Proforma
Plant & Machinery	15 Year	15 Year	15 Year	20 years	20 years
Building*	60 Years	60 Years	60 Years	58 Years	58 Years
Electrical installations and fittings	10 Years	10 Years	10 Years	20 years	20 years
Office Equipments	5 Years	5 Years	5 Years	20 years	20 years
Furniture and Fixtures	10 Years	10 Years	10 Years	10 Years	10 Years
Crockery, cutlery and soft furnishings	3 Years	3 Years	3 Years	3 Years	3 Years
Vehicles	8 Years	8 Years	8 Years	10 Years	10 Years
Computers	3 Years	3 Years	3 Years	6 Years	6 Years

* Building on leasehold land is depreciated over the primary lease period or useful life whichever is lower.

The Group, based on management estimates, depreciates certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful

lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Further the Company has considered the change in useful life as change in estimates.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

(h) Intangible assets

On transition to IND AS, the Group has elected to continue with the carrying value of all of its Intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Intangible asset. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has rolled back the amortization based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 3 years and the same has been amortised on Straight line basis over its useful life.

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 income statement when the asset is derecognized.

(i) Investment properties

On transition to IND AS, the Group has elected to continue with the carrying value of all of its Investment properties recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such Investment property. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(j) Borrowing costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

(k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For leases of both land and building elements, the Group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are classified as operating lease.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or

- (b) The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease term unless either:

- (a) Another systematic basis is more representative of the time pattern of the user's benefit even if the receipt from the lessee are not on that basis, or
- (b) The receipts from the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If receipts from the lessee vary because of factors other than general inflation, then this condition is not met.

Stamp duties payable to local authorities on registration of lease agreements, are recognised as prepaid expense and charged off to Statement of Profit and Loss on an equitable basis over the lease term.

Conversion charges payable to local authorities on conversion of use of industrial plot for hotel purposes, are recognised as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term.

(l) Inventories

Stock of food & beverages, stores and operating supplies are valued at lower of cost and net realisable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

(m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(n) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Deferred Revenue

The Group operates a loyalty point's programme, which allows customers to accumulate points when they obtain services in the Group's Hotels. The group is acting as principal in supplying awards. The points can be redeemed for free products/ nights, subject to a minimum number of points being obtained. The unutilized points will lapse after two years. The Consideration received is allocated between the Room Revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, 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, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets (other than equity investment in subsidiaries) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Equity investments in subsidiaries are recognized at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. If there is any change in estimate for payment of loan (provided that there was no error in original estimate), difference in carrying amount and repayment has been adjusted as return on capital by the parent, based on condition/ situation prevailing on that date. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the

head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(s) Share-based payments

Certain employees (including senior executives) of the group receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The Group has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Group has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share based payments as per Ind AS 102 'share based payments' that vested before 1 April 2012.

The cost of equity-settled transactions with employees measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(t) Measurement of EBITDA

The Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs and tax expense.

3. Property, plant & equipment

(All amounts in Rupees million)

Particulars	Tangible Assets												
	Freehold land	Leasehold Improvements	Building on freehold land	Building on leasehold land	Plant and Machinery	Electrical fittings	Electrical equipments	Office equipments	Furniture and Fixtures	Crockery, cutlery and soft furnishings	Computers	Vehicles	Total (Tangible Assets)
As at April 1, 2012 (Proforma)	1,831.56	2.48	2,935.76	581.18	714.42	233.89	135.59	46.15	387.61	120.56	38.62	70.90	7,098.72
Additions	8.43	-	21.23	4.04	23.00	1.61	12.43	2.10	5.40	-	3.09	28.36	109.69
Additions on inclusion of new subsidiary Canary Hotels Private Limited	141.23	-	88.77	-	27.90	9.50	1.19	0.79	5.67	3.72	0.86	0.41	280.04
Acquired on amalgamation of Spank Hotels Private Limited (refer note 49)	469.23	-	726.32	-	128.51	60.99	21.27	3.23	42.93	13.11	3.32	2.99	1,471.90
Additions from April 1, 2011 to March 31, 2012 (refer note 49)	-	-	7.29	-	2.99	-	0.06	-	0.14	-	-	-	10.48
Disposals	-	-	-	-	-	2.12	-	0.04	0.53	-	-	8.19	10.88
As at April 1, 2013 (Proforma)	2,450.45	2.48	3,779.37	585.22	896.82	303.87	170.54	52.23	441.22	137.39	45.89	94.47	8,959.95
Additions	7.50	-	52.57	2,262.69	278.15	164.99	77.98	6.95	222.72	60.95	11.66	20.43	3,166.59
Additions on inclusion of new subsidiary Inova Hotels & Resorts Limited	104.44	-	284.22	-	133.01	-	-	2.51	36.77	-	5.48	0.88	567.31
Disposals	-	-	-	-	0.23	0.45	0.46	0.22	-	-	-	8.31	9.67
As at March 31, 2014 (Proforma)	2,562.39	2.48	4,116.16	2,847.91	1,307.75	468.41	248.06	61.47	700.71	198.34	63.03	107.47	12,684.18
Additions	245.14	-	731.98	24.31	126.25	57.89	31.25	4.00	67.69	23.30	6.24	8.49	1,326.54
Disposals	-	-	-	-	0.46	0.52	0.11	0.04	0.24	-	-	14.56	15.93
As at March 31, 2015 (Proforma)	2,807.53	2.48	4,848.14	2,872.22	1,433.54	525.78	279.20	65.43	768.16	221.64	69.27	101.40	13,994.79
Depreciation													
As at April 1, 2012 (Proforma)	-	2.48	156.07	32.38	72.97	37.14	13.63	6.55	90.22	75.70	20.30	27.43	534.87
Charge for the year	-	-	59.81	14.33	46.97	12.52	5.65	3.55	41.05	28.80	6.04	10.30	229.02
Additions on inclusion of new subsidiary Canary Hotels Private Limited	-	-	6.33	-	5.69	1.95	0.27	0.19	2.33	3.72	0.60	0.12	21.20
Acquired on amalgamation of Spank Hotels Private Limited (refer note 49)	-	-	16.70	-	7.34	4.82	1.10	0.24	4.99	5.12	0.79	0.23	41.33
Additions from April 1, 2011 to March 31, 2012 (refer note 49)	-	-	4.48	-	3.34	0.74	0.55	0.05	1.84	2.20	0.18	0.20	13.58
Disposals	-	-	-	-	-	-	-	0.48	0.27	-	-	3.36	4.11
As at April 1, 2013 (Proforma)	-	2.48	243.39	46.71	136.31	57.17	21.20	10.10	140.16	115.54	27.91	34.92	835.89
Charge for the year	-	-	85.53	21.30	65.47	19.63	10.51	4.48	51.47	23.23	7.35	12.01	300.98
Additions on inclusion of new subsidiary Inova Hotels & Resorts Limited	-	-	12.66	-	17.47	-	-	0.49	9.72	-	2.78	0.22	43.34
Disposals	-	-	-	-	0.09	-	0.12	0.10	-	-	0.02	3.71	4.04
As at March 31, 2014 (Proforma)	-	2.48	341.58	68.01	219.16	76.80	31.59	14.97	201.35	138.77	38.02	43.44	1,176.17
Charge for the year	-	-	70.43	37.19	105.94	62.26	32.43	23.29	116.07	22.97	17.48	16.32	504.38
Disposals	-	-	-	-	0.12	-	0.01	0.17	0.05	-	0.01	5.68	6.04
As at March 31, 2015 (Proforma)	-	2.48	412.01	105.20	324.98	139.06	64.01	38.09	317.37	161.74	55.49	54.08	1,674.51
Net Block													
As at March 31, 2015 (Proforma)	2,807.53	-	4,436.13	2,767.02	1,108.56	386.72	215.19	27.34	450.79	59.90	13.78	47.32	12,320.28
As at March 31, 2014 (Proforma)	2,562.39	-	3,774.58	2,779.90	1,088.59	391.61	216.47	46.50	499.36	59.57	25.01	64.03	11,508.01
As at April 1, 2013 (Proforma)	2,450.45	-	3,535.98	538.51	760.51	246.70	149.34	42.13	301.06	21.85	17.98	59.55	8,124.06
Deemed cost as at April 1, 2015	2,807.53	-	4,436.13	2,767.02	1,108.56	386.72	215.19	27.34	450.79	59.90	13.78	47.32	12,320.28
Additions	-	-	221.57	12.63	87.50	28.34	19.92	4.58	65.76	11.97	6.39	7.17	465.83
Disposals	-	-	-	-	0.18	4.86	0.76	0.23	6.64	-	0.11	12.02	24.80
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
- Exchange Differences	-	-	0.10	-	0.02	0.00	0.20	0.02	0.05	-	-	-	0.39
- Borrowing Costs	-	-	14.53	-	-	-	-	-	-	-	-	-	14.53
As at March 31, 2016	2,807.53	-	4,672.33	2,779.65	1,195.90	410.20	234.55	31.71	509.96	71.87	20.06	42.47	12,776.23
Additions	866.53	-	1,001.97	-	227.64	1.61	6.88	4.15	87.16	37.64	7.73	16.56	2,257.87
Additions on inclusion of new subsidiary Bandhav Resorts (P) Limited	11.00	-	35.31	-	1.78	-	2.02	0.19	1.26	-	0.04	1.84	53.44
Disposals	-	-	-	-	0.35	0.51	0.15	2.54	11.70	0.10	0.35	9.90	25.60
As at March 31, 2017	3,685.06	-	5,709.61	2,779.65	1,424.97	411.30	243.30	33.51	586.68	109.41	27.48	50.97	15,061.94
Depreciation													

Lemon Tree Hotels Limited
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As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	78.22	58.66	105.95	68.30	34.76	9.17	107.18	32.28	7.78	13.46	515.76
Disposals	-	-	-	-	0.07	3.21	0.16	0.19	4.98	-	0.05	6.38	15.04
As at March 31, 2016	-	-	78.22	58.66	105.88	65.09	33.60	8.98	102.20	32.28	7.73	7.08	500.72
Charge for the year	-	-	82.13	54.51	113.86	66.51	36.21	0.86	104.76	27.37	6.87	11.17	504.25
Additions on inclusion of new subsidiary Bandhav Resorts (P) Limited	-	-	0.41	-	0.12	-	0.13	0.01	0.13	-	0.01	0.33	1.14
Disposals	-	-	-	-	0.12	0.51	0.07	2.40	6.97	0.10	0.32	6.00	16.49
As at March 31, 2017	-	-	161.76	113.17	219.74	131.09	69.87	7.45	200.12	59.55	14.29	12.58	989.62
Net Block													
As at March 31, 2017	3,685.06	-	5,547.85	2,666.48	1,205.23	280.21	172.43	26.06	386.56	48.86	13.19	38.39	14,072.32
As at March 31, 2016	2,807.53	-	4,593.11	2,720.99	1,090.02	345.11	199.95	22.73	407.76	38.59	12.33	35.39	12,275.51

Net book value

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Plant, property and equipment	14,072.32	12,275.51	12,320.28	11,508.01	8,124.06

Notes

a) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 15 on 'borrowings'.

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

4. Capital work-in-progress

	As at March 31, 2017 (Rs. in million)	As at March 31, 2016 (Rs. in million)	As at March 31, 2015 (Rs. in million) Proforma	As at March 31, 2014 (Rs. in million) Proforma	As at March 31, 2013 (Rs. in million) Proforma
Hotel at Shimla					
Material	41.40	36.24	32.00	32.00	32.00
Project staff expenses	6.01	5.16	4.56	4.58	2.72
-Salary wages & bonus	2.97	2.97	2.97	2.97	4.33
Professional charges	8.07	8.06	7.40	7.40	6.55
Others	0.27	0.27	0.27	0.27	0.27
	58.72	52.70	47.20	47.22	45.87
Hotel at DIAL Areocity (Red fox)					
Material	-	-	-	471.09	261.10
Professional charges	-	-	-	65.08	59.77
Borrowing cost	-	-	-	104.53	46.47
Lease rent	-	-	-	117.73	99.53
Infrastructure development charges (Also Refer Note 45)	-	-	-	104.63	104.63
Salary, wages & bonus	-	-	-	15.23	9.15
Project staff expenses other then salary	-	-	-	16.59	7.11
Rates and taxes	-	-	-	0.04	0.01
Others	-	-	-	16.87	10.22
	-	-	-	911.79	597.99
Less:- Capitalised during the year	-	-	-	911.79	-
	-	-	-	-	597.99
Hotel at Gurgaon, City Centre					
Material	-	336.50	51.26	0.24	-
Professional charges	-	32.56	11.75	0.29	-
Borrowing cost	-	14.53	3.31	-	-
Salary wages & bonus	-	9.81	2.99	0.53	-
Project staff expenses other than salary	-	3.34	1.39	0.27	-
Misc.Gov.expenses/fees	-	4.18	0.89	0.73	-
	-	400.92	71.59	2.06	-
Less: scrap sale	-	1.00	1.00	1.00	-
	-	399.92	70.59	1.06	-
Less:- Capitalised during the year	-	399.92	-	-	-
	-	-	70.59	1.06	-
Hotel at Gurgaon Sector 60 (Lemon Tree)					
Material	412.56	136.83	9.16	-	-
Professional charges	82.73	16.29	13.08	4.08	4.08
Borrowing cost	36.81	27.61	-	-	-
Salary wages & bonus	15.08	2.85	0.36	-	-
Project staff expenses other then salary	8.11	0.82	0.09	-	-
Rates and Taxes	47.74	-	-	-	-
Others	23.75	0.16	0.05	-	-
	626.78	184.56	22.74	4.08	4.08
Less Capitalised during the year	626.78	-	-	-	-
	-	184.56	22.74	4.08	4.08
Hotel at Gurgaon Sector 60 (Red Fox)					
Material	193.20	90.68	6.71	-	-
Professional charges	40.78	11.10	8.82	-	-
Borrowing cost	11.98	-	-	-	-
Rates and Taxes	39.39	-	-	-	-
Salary wages & bonus	12.50	2.52	0.39	-	-
Project staff expenses other then salary	4.55	-	-	-	-
Others	12.89	0.11	0.02	-	-
	315.29	104.41	15.94	-	-
Less Capitalised during the year	315.29	-	-	-	-
	-	104.41	15.94	-	-
Hotel at City Center Pune					
Material	420.04	232.69	84.96	82.87	82.63
Professional charges	124.24	107.91	63.91	42.67	42.67
Borrowing cost	78.20	60.25	60.25	60.24	60.24
Salary wages & bonus	12.96	7.99	5.99	5.52	5.52
Project staff expenses other then salary	4.76	4.45	3.52	2.94	2.94
Travelling	0.89	0.71	0.44	0.42	0.42
Rates and taxes	57.11	30.57	27.41	26.96	26.93
Others	1.11	0.52	0.26	0.05	0.05
	699.31	445.09	246.74	221.67	221.40
Hotel at Mumbai					
Material	634.78	393.71	390.69	384.05	362.43
Professional charges	154.18	81.78	79.50	79.23	76.30
Borrowing cost	23.13	14.51	18.35	18.32	18.28
Salary wages & bonus	18.69	16.84	8.41	5.03	2.72
Project staff expenses other then salary	22.63	19.29	16.15	12.71	6.97
Travelling	3.63	3.25	2.89	2.58	2.35
Rates and taxes	427.48	425.01	421.89	119.61	2.79
Stock in Hand	-	7.28	7.28	-	-
Others	18.19	13.90	13.10	9.48	9.21
	1,302.71	975.57	958.26	631.01	481.05
Hotel at DIAL Areocity (Lemon Tree Premier)					
Material	-	-	-	1,224.87	1,030.88
Professional charges	-	-	-	126.60	121.11
Borrowing cost	-	-	-	240.09	169.51

4. Capital work-in-progress

	As at March 31, 2017 (Rs. in million)	As at March 31, 2016 (Rs. in million)	As at March 31, 2015 (Rs. in million) Proforma	As at March 31, 2014 (Rs. in million) Proforma	As at March 31, 2013 (Rs. in million) Proforma
Salary, wages & bonus	-	-	-	55.96	32.10
Project staff expenses other than salary	-	-	-	10.57	5.38
Travelling	-	-	-	1.33	0.49
Lease rent	-	-	-	41.81	22.59
Rates and taxes	-	-	-	4.63	3.09
Infrastructure development charges (Also Refer Note 45)	-	-	-	150.57	150.57
License fee	-	-	-	-	-
Others	-	-	-	28.00	13.00
Total	-	-	-	1,884.43	1,548.72
Less:- Capitalised during the year	-	-	-	1,884.43	-
	-	-	-	-	1,548.72
Hotel at Gachibowli, Hyderabad					
Material	-	-	804.47	288.60	112.06
Professional charges	-	-	106.52	73.57	54.23
Borrowing cost	-	-	49.51	14.45	-
Salary wages & bonus	-	-	8.71	2.58	0.68
Project staff expenses other than salary	-	-	8.49	1.15	0.11
Travelling	-	-	2.73	0.76	0.10
Rates and taxes	-	-	3.59	0.39	0.37
Others	-	-	19.67	5.58	1.82
Total	-	-	1,003.69	387.08	169.37
Less:- Capitalised during the year	-	-	1,003.69	-	-
	-	-	-	387.08	169.37
Hotel at Allepey					
Material	-	-	-	-	0.22
Professional charges	-	-	-	-	0.42
	-	-	-	-	0.64
Hotel at Udaipur					
Material	526.82	333.25	108.07	-	-
Professional charges	93.60	48.63	37.64	24.83	-
Borrowing cost	24.07	-	-	-	-
Salary wages & bonus	8.55	4.05	1.48	-	-
Project staff expenses other than salary	2.81	1.77	1.02	-	-
Travelling	1.22	0.90	0.51	0.13	-
Rates and taxes	3.05	2.56	3.17	-	-
Others	0.03	-	-	-	-
Total	660.15	391.16	151.89	24.96	-
Hotel at Kolkata					
Material	129.35	9.83	0.37	-	-
Professional charges	52.24	43.54	40.57	32.11	-
Borrowing cost	3.41	-	-	-	-
Salary wages & bonus	5.23	1.22	-	-	-
Project staff expenses other than salary	3.92	0.53	0.00	-	-
Travelling	0.42	0.17	0.10	0.10	-
Others	0.11	0.11	0.11	0.11	-
Total	194.68	55.40	41.15	32.32	-
Hotel at MIAL Aerocity					
Material	0.41	0.26	0.19	-	-
Professional charges	243.70	204.96	67.09	-	-
Lease rent	272.33	142.02	17.50	-	-
Salary wages & bonus	0.60	0.20	-	-	-
Project staff expenses other than salary	0.41	0.08	0.01	-	-
Travelling	1.62	1.45	0.29	-	-
Rates and taxes	34.59	32.83	30.50	-	-
Others	2.45	1.78	1.11	-	-
Total	556.11	383.58	116.69	-	-
Hotel at Bandhavgarh					
Material	20.65	-	-	-	-
Professional charges	0.23	-	-	-	-
Project staff	-	-	-	-	-
Salary wages & bonus	0.84	-	-	-	-
Project staff expenses other than salary	0.00	-	-	-	-
Travelling	0.34	-	-	-	-
Rates and taxes	0.07	-	-	-	-
Others	0.25	-	-	-	-
Total	22.38	-	-	-	-
Total	3,494.06	2,592.47	1,671.20	1,349.40	3,069.12

5. Investment Property

(All amounts in Rupees million)

Particulars	Total
Cost or valuation	
As at April 1, 2012 (Proforma)	-
Additions	-
As at March 31, 2013 (Proforma)	-
Additions	26.33
As at March 31, 2014 (Proforma)	26.33
Additions	-
As at March 31, 2015 (Proforma)	26.33
Depreciation and Impairment	
As at April 1, 2012 (Proforma)	-
Charge for the year	-
As at March 31, 2013 (Proforma)	-
Charge for the year	0.00
As at March 31, 2014 (Proforma)	0.00
Charge for the year	0.44
As at March 31, 2015 (Proforma)	0.44
Net Block	
As at March 31, 2015 (Proforma)	25.89
As at March 31, 2014 (Proforma)	26.33
As at March 31, 2013 (Proforma)	-
Deemed Cost as at April 1, 2015	25.89
Additions	-
As at March 31, 2016	25.89
Additions	-
As at March 31, 2017	25.89
Depreciation and Impairment	
As at April 1, 2015	-
Charge for the year	0.44
As at March 31, 2016	0.44
Charge for the year	0.44
As at March 31, 2017	0.88
Net Block	
As at March 31, 2017	25.01
As at March 31, 2016	25.45

Information regarding income and expenditure of Investment property:

(All amounts in Rupees million)

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Rental income derived from investment property	1.44	1.29	0.17	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-	-	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.10)	(0.11)	(0.07)	-	-
Profit arising from investment properties before depreciation and indirect expenses	1.34	1.18	0.10	-	-
Less – Depreciation	(0.44)	(0.44)	(0.44)	(0.00)	-
Profit arising from investment properties before indirect expenses	0.90	0.74	(0.34)	(0.00)	-

The Company's investment properties consist of a commercial property in India. The management has determined that the investment property consist of one classes of asset – office space – based on the nature, characteristics and risks of the property.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

As at 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 the fair values of the property is Rs. 25.89 million, Rs. 25.89 million, Rs. 25.89 million, Rs. 26.33 million and Nil respectively.

These valuations are based on valuations performed by an external independent valuer at the time of acquisition of property.

The management has considered these valuations on the basis that there is no material change in the value of property since acquired.

Valuation technique	Significant unobservable Inputs
Sales comparable method	Location Size of building Quality of building Visibility of unit Furnished/unfurnished

6. Intangible Assets

(All amounts in Rupees million)		
Particulars	Goodwill	Other Intangible assets
Cost or valuation		
As at April 1, 2012 (Proforma)	528.91	47.06
Additions	-	1.71
Additions on inclusion of new subsidiaries/ additional stake in existing subsidiaries	664.99	0.95
Acquired on amalgamation (refer note 49)	-	4.46
Additions from April 1, 2011 to March 31, 2012 (refer note 49)	-	0.01
Disposals/ deemed disposals (Refer note 44)	289.82	-
Goodwill netted off with capital reserve	904.08	-
As at April 1, 2013 (Proforma)	-	54.19
Additions	-	12.64
Additions on inclusion of new subsidiary/ additional stake in existing subsidiaries	111.73	1.04
Goodwill netted off with capital reserve	23.73	-
As at March 31, 2014 (Proforma)	88.00	67.87
Additions	-	7.37
Additions on inclusion of additional stake in existing subsidiaries	6.51	-
Disposals/ deemed disposals	72.70	-
Goodwill netted off with capital reserve	21.81	-
As at March 31, 2015 (Proforma)	-	75.24
Amortisation and impairment		
As at April 1, 2012 (Proforma)	-	25.83
Charge for the year	-	9.25
Additions on inclusion of new subsidiaries/ additional stake in existing subsidiaries	-	0.74
Acquired on amalgamation (refer note 49)	-	1.26
Additions from April 1, 2011 to March 31, 2012 (refer note 49)	-	0.32
Disposals	-	-
As at April 1, 2013 (Proforma)	-	37.40
Charge for the year	-	8.76
On account of inclusion of new subsidiary	-	0.51
Disposals	-	-
As at March 31, 2014 (Proforma)	-	46.67
Charge for the year	-	12.26
Disposals	-	-
As at March 31, 2015 (Proforma)	-	58.93
Net Block		
As at March 31, 2015 (Proforma)	-	16.31
As at March 31, 2014 (Proforma)	88.00	21.20
As at April 1, 2013 (Proforma)	-	16.79
Deemed Cost as at April 1, 2015	-	16.31
Additions	-	3.52
Disposals	-	-
As at March 31, 2016	-	19.83
Additions on inclusion of new subsidiary (Refer Note 52)	67.34	10.98
Disposals	-	4.13
As at March 31, 2017	67.34	26.68
Amortisation and impairment		
As at April 1, 2015		
Charge for the year	-	6.51
Disposals	-	-
As at March 31, 2016	-	6.51
Charge for the year	-	5.54
Disposals	-	4.13
As at March 31, 2017	-	7.92
Net Block		
As at March 31, 2017	67.34	18.76
As at March 31, 2016	-	13.32

Net book value	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Goodwill	67.34	-	-	88.00	-
Other Intangible assets	18.76	13.32	16.31	21.20	16.79
Intangible assets under development	14.04	-	-	-	-

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

7 Financial assets - (Non current)

(i) Investments

Investments at fair value through profit and loss

Others

Equity shares of SEP Energy Private Limited of Rs.10 each fully paid.

Government Securities (Unquoted, investments other than trade)

Six Years National Saving Certificates at amortised cost

Investments at fair value through Profit & Loss

Quoted mutual funds

Reliance Money Manager Fund-Direct Plan-Growth Option

Reliance Quarter Interval Fund-Series II

Reliance Liquid Fund Treasury Growth Plan

Reliance Liquidity Fund-Growth plan

Reliance Money Manager Fund-Direct Growth Plan Growth Option

Reliance liquid fund treasury plan

Reliance liquid fund direct plan

ICICI Prudential Liquid Direct Plan Growth

Birla Sun Life Cash Plus Growth Direct Plan

Axis Liquid Fund

Principal Cash Management Fund-Regular Plan Growth

DWS Insta Cash Plus Fund - Bonus plan

HDFC Floating Rate Income Fund-Short Term Plan

HDFC Income Fund

Reliance Dyanamic Bond Fund

Reliance Income Fund - Growth Plan

Reliance Short Term Fund

IDFC Cash Fund

IDFC Super Saver Income Fund

IDFC Money Manager Fund-Investment Plan

ICICI Prudential Short Term Plan

ICICI Prudential Regular Plan

Icici Prudential Short Plan-Regular Plan

Birla Sun Life Dynamic Bond Fund

SBI Dynamic Bond Fund

SBI Short Term Debt Fund-Growth

SBI Magnum Insta Cash Fund Liquid Floater Liquid Fund Plan

Templeton India Low Duration Fund

Tata Liquid Super High Investment Fund

Tata Dynamic Bond Fund

Baroda Pioneer Liquid Fund Plan A

Axis Liquid Fund

Kotak Bond Scheme Plan A

Kotak Bond Short Term

Kotak Flexi Debt Scheme-Plan-A

DWS Ultra Short Term Fund

DWS Gilt Fund

DWS Banking & PSU Fund

UTI Floating Rate Fund-Stp Regular Plan-Growth

BOI Axa Treasury Advantage Fund-Regular Plan-Growth

DSP black rock banking and PSU debt fund

DWS Insta Cash Plus Fund - Growth

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of units	Rs. In million	No. of units	Rs. In million	No. of units Proforma	Rs. In million Proforma	No. of units Proforma	Rs. In million Proforma	No. of units Proforma	Rs. In million Proforma
(i) Investments										
Investments at fair value through profit and loss										
Others										
Equity shares of SEP Energy Private Limited of Rs.10 each fully paid.	2,567.00	0.02	2,567.00	0.02	2,567.00	0.03	2,567.00	0.01	2,567.00	0.01
Government Securities (Unquoted, investments other than trade)										
Six Years National Saving Certificates at amortised cost	-	-	-	0.09	-	0.08	-	0.08	-	0.07
Investments at fair value through Profit & Loss										
Quoted mutual funds										
Reliance Money Manager Fund-Direct Plan-Growth Option	10,422.30	23.73	3,909.64	28.22	-	-	-	-	-	-
Reliance Quarter Interval Fund-Series II	-	-	-	8.17	-	-	-	-	-	-
Reliance Liquid Fund Treasury Growth Plan	703.30	-	3,827.11	-	-	-	-	-	-	-
Reliance Liquidity Fund-Growth plan	-	-	1,664.35	-	-	-	-	-	-	-
Reliance Money Manager Fund-Direct Growth Plan Growth Option	11,016.85	25.08	-	-	-	-	-	-	-	-
Reliance liquid fund treasury plan	-	12.86	-	19.66	14,671.00	50.05	3,382.11	4.47	-	-
Reliance liquid fund direct plan	-	1.72	-	1.61	27,517.00	58.02	58,104.00	112.37	-	-
ICICI Prudential Liquid Direct Plan Growth	-	-	-	-	2,03,809.00	42.21	-	-	-	-
Birla Sun Life Cash Plus Growth Direct Plan	-	-	-	-	1,80,312.00	40.50	-	-	-	-
Axis Liquid Fund	-	-	-	-	8,432.00	13.08	-	-	-	-
Principal Cash Management Fund-Regular Plan Growth	-	-	-	-	14,895.00	20.23	-	-	-	-
DWS Insta Cash Plus Fund - Bonus plan	-	-	-	-	8,03,737.00	88.27	20,40,255.00	205.51	-	-
HDFC Floating Rate Income Fund-Short Term Plan	-	-	-	-	-	-	-	-	25,09,020.00	50.21
HDFC Income Fund	-	-	-	-	-	-	-	-	11,20,327.00	30.22
Reliance Dyanamic Bond Fund	-	-	-	-	-	-	-	-	6,57,925.00	10.33
Reliance Income Fund - Growth Plan	-	-	-	-	-	-	-	-	13,48,229.00	52.04
Reliance Short Term Fund	-	-	-	-	-	-	-	-	48,04,343.00	105.05
IDFC Cash Fund	-	-	-	-	-	-	-	-	3,636.00	5.18
IDFC Super Saver Income Fund	-	-	-	-	-	-	-	-	93,72,939.00	224.93
IDFC Money Manager Fund-Investment Plan	-	-	-	-	-	-	-	-	27,63,072.00	50.34
ICICI Prudential Short Term Plan	-	-	-	-	-	-	-	-	21,42,419.00	52.70
ICICI Prudential Regular Plan	-	-	-	-	-	-	-	-	16,26,900.00	38.95
Icici Prudential Short Plan-Regular Plan	-	-	-	-	-	-	-	-	21,07,197.00	50.45
Birla Sun Life Dynamic Bond Fund	-	-	-	-	-	-	-	-	63,31,170.00	125.61
SBI Dynamic Bond Fund	-	-	-	-	-	-	-	-	71,29,972.00	105.01
SBI Short Term Debt Fund-Growth	-	-	-	-	-	-	-	-	66,61,492.00	89.78
SBI Magnum Insta Cash Fund Liquid Floater Liquid Fund Plan	-	-	-	-	-	-	-	-	24,965.00	50.30
Templeton India Low Duration Fund	-	-	-	-	-	-	-	-	45,22,314.00	57.43
Tata Liquid Super High Investment Fund	-	-	-	-	-	-	-	-	12,914.00	27.97
Tata Dynamic Bond Fund	-	-	-	-	-	-	-	-	23,01,816.00	39.88
Baroda Pioneer Liquid Fund Plan A	-	-	-	-	-	-	-	-	15,343.00	20.63
Axis Liquid Fund	-	-	-	-	-	-	-	-	12,189.00	15.84
Kotak Bond Scheme Plan A	-	-	-	-	-	-	-	-	30,64,984.00	103.83
Kotak Bond Short Term	-	-	-	-	-	-	-	-	1,00,30,258.00	221.84
Kotak Flexi Debt Scheme-Plan-A	-	-	-	-	-	-	-	-	45,72,030.00	66.24
DWS Ultra Short Term Fund	-	-	-	-	-	-	-	-	27,31,217.00	37.96
DWS Gilt Fund	-	-	-	-	-	-	-	-	81,81,101.00	106.57
DWS Banking & PSU Fund	-	-	-	-	-	-	-	-	50,00,000.00	50.34
UTI Floating Rate Fund-Stp Regular Plan-Growth	-	-	-	-	-	-	-	-	26,678.00	50.29
BOI Axa Treasury Advantage Fund-Regular Plan-Growth	-	-	-	-	-	-	-	-	14,595.00	20.11
DSP black rock banking and PSU debt fund	-	-	-	-	-	-	48,53,709.00	51.30	-	-
DWS Insta Cash Plus Fund - Growth	-	-	-	-	-	-	60,471.00	10.08	-	-
		63.41		57.77		312.47		383.82		1,860.11
Aggregate book value of quoted investments		63.39		57.66		312.36		383.73		1,860.03
Aggregate market value of quoted investments		63.39		57.66		312.36		383.73		1,860.03
Aggregate amount of impairment in value of investments		-		-		-		-		-
Current		63.39		57.66		312.36		383.73		1,860.03
Non-Current		0.02		0.11		0.11		0.09		0.08
		63.41		57.77		312.47		383.82		1,860.11

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
(ii) Loans					
(Unsecured, considered good unless otherwise stated)					
Loans to employees at amortised cost	108.56	76.16	92.46	106.31	54.65
	108.56	76.16	92.46	106.31	54.65

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
(iii) Other Non- current financial assets					
(Unsecured, considered good unless otherwise stated)					
Security Deposits at amortised cost	290.47	250.37	178.55	89.47	78.86
Interest accrued on deposits with banks and others	27.66	21.62	15.31	12.08	7.15
Other bank balances	78.89	77.20	74.23	103.80	45.33
	397.02	349.19	268.09	205.35	131.34

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Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

8 Non-current tax assets	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Advance Income Tax (net of provision for taxation)	209.98	193.97	159.64	79.70	91.29
	209.98	193.97	159.64	79.70	91.29
9 Other non-current assets (Unsecured, considered good)	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Capital Advances	696.81	1,624.65	1,773.80	1,677.26	1,184.32
Balance with statutory/ government authorities	6.68	6.68	1.87	1.87	-
Advance Income Tax (net of provision for taxation)	-	-	-	-	-
Advance fringe benefit tax (net of provision)	-	-	-	1.89	1.89
Prepaid stamp duty	22.83	21.12	23.69	27.65	29.58
Prepaid conversion charges (Also refer note 42)	51.26	52.26	53.27	54.27	55.28
Prepaid expenses	30.45	-	2.83	17.48	3.59
Advances recoverable in cash or kind or for value to be received	-	-	1.35	-	-
Prepayments of security deposits	2,098.13	2,121.55	1,599.20	728.57	751.21
Total	2,906.16	3,826.26	3,456.01	2,508.99	2,025.87

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Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

10 Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Food and beverages (excluding liquor and wine)	10.25	10.01	7.72	8.40	6.58
Liquor and wine	11.19	11.58	7.75	6.10	6.43
Stores, cutlery, crockery, linen, provisions and others	27.93	32.26	32.61	32.20	29.96
Total	49.37	53.85	48.08	46.70	42.97

During the year ended March 31, 2017: Rs. 4.44 million, (March 31, 2016: Rs. 2.77 million, March 31, 2015: Rs. 1.04 million, March 31, 2014: Nil and March 31, 2013: Nil) was recognised as an expense for inventories carried at net realisable value

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11 Financial assets - (Current)

(i) Trade receivables

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Trade receivables	314.45	244.83	179.05	159.63	148.42
Break-up for security details:					
Trade receivables					
Unsecured, considered good	314.45	244.83	179.05	159.63	148.37
Doubtful	3.66	3.11	3.36	2.59	0.83
	<u>318.11</u>	<u>247.94</u>	<u>182.41</u>	<u>162.22</u>	<u>149.20</u>
Impairment Allowance (allowance for bad and doubtful debts)					
Unsecured, considered good	-	-	-	-	-
Doubtful	3.66	3.11	3.36	2.59	0.78
	<u>3.66</u>	<u>3.11</u>	<u>3.36</u>	<u>2.59</u>	<u>0.78</u>
	<u>314.45</u>	<u>244.83</u>	<u>179.05</u>	<u>159.63</u>	<u>148.42</u>

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
The interest free credit period given to customers is upto 90 days.

(ii) Cash and cash equivalents

	As At March 31, 2017 Rs. In million	As At March 31, 2016 Rs. In million	As At March 31, 2015 Rs. In million Proforma	As At March 31, 2014 Rs. In million Proforma	As At March 31, 2013 Rs. In million Proforma
Balance with banks					
On current & cash credit accounts	171.97	131.49	293.64	408.00	126.52
Deposits with original maturity of 3 months or less	-	-	-	301.36	-
Cheques on hand	-	-	-	7.92	-
Cash on hand	3.95	6.58	6.73	6.61	9.23
	<u>175.92</u>	<u>138.07</u>	<u>300.37</u>	<u>723.89</u>	<u>135.75</u>

At March 31, 2017, the Group had available Rs. 3,035 million (March 31, 2016: Rs. 1,583 million, March 31, 2015: Nil, March 31, 2014: Nil, March 31, 2013: Nil) of undrawn committed borrowing facilities.

(iii) Other current financial assets

	As At March 31, 2017 Rs. In million	As At March 31, 2016 Rs. In million	As At March 31, 2015 Rs. In million Proforma	As At March 31, 2014 Rs. In million Proforma	As At March 31, 2013 Rs. In million Proforma
Other bank balances	0.20	-	-	-	-
Security deposits	2.91	5.49	2.75	2.30	2.17
Commission receivable	0.04	0.29	0.38	0.23	0.39
Advances for investments	-	-	-	0.03	-
	<u>3.15</u>	<u>5.78</u>	<u>3.13</u>	<u>2.56</u>	<u>2.56</u>

(iv) Loans

	As At March 31, 2017 Rs. In million	As At March 31, 2016 Rs. In million	As At March 31, 2015 Rs. In million Proforma	As At March 31, 2014 Rs. In million Proforma	As At March 31, 2013 Rs. In million Proforma
Loans & advances to directors	4.69	6.44	5.47	-	1.20
Loans to employees	-	-	2.50	6.28	7.17
	<u>4.69</u>	<u>6.44</u>	<u>7.97</u>	<u>6.28</u>	<u>8.37</u>

12 Other current assets

	As At March 31, 2017 Rs. In million	As At March 31, 2016 Rs. In million	As At March 31, 2015 Rs. In million Proforma	As At March 31, 2014 Rs. In million Proforma	As At March 31, 2013 Rs. In million Proforma
Advances recoverable in cash or kind					
- Employee Advance	0.18	0.05	0.06	-	-
- to related parties	-	-	-	-	4.06
- Others	37.56	58.94	11.01	26.29	38.00
	37.74	58.99	11.07	26.29	42.06
Provision for doubtful advances	0.87	-	-	-	-
	36.87	58.99	11.07	26.29	42.06
Accrued revenue	30.84	30.02	21.25	7.09	9.88
Balance with statutory/ government authorities	65.34	73.02	27.83	34.26	21.44
Prepaid stamp duty	2.55	2.55	2.50	2.50	2.50
Prepaid conversion charges (Also refer note 42)	1.01	1.01	1.01	1.01	1.01
Prepaid Expenses	56.47	34.46	33.06	31.64	29.63
Total	193.08	200.05	96.72	102.79	106.52

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13 Share capital

Authorised Share Capital

At 1 April 2012 (Proforma)
Increase during the year
At 31 March 2013 (Proforma)
Increase during the year
At 31 March 2014 (Proforma)
Increase during the year
At 31 March 2015 (Proforma)
Increase during the year
At 31 March 2016
Increase during the year
At 31 March 2017

Equity shares	
No. of shares	Rs. in million
7,76,00,000	776.00
5,68,50,000	568.50
13,44,50,000	1,344.50
86,41,00,000	8,641.00
99,85,50,000	9,985.50
-	-
99,85,50,000	9,985.50
-	-
99,85,50,000	9,985.50
-	-
99,85,50,000	9,985.50

5% Redeemable Cumulative Preference Shares

At 1 April 2012 (Proforma)
Increase during the year
At 31 March 2013 (Proforma)
Increase during the year
At 31 March 2014 (Proforma)
Increase during the year
At 31 March 2015 (Proforma)
Increase during the year
At 31 March 2016
Increase during the year
At 31 March 2017

No. of shares	Rs. in million
1,45,000	14.50
-	-
1,45,000	14.50
-	-
1,45,000	14.50
-	-
1,45,000	14.50
-	-
1,45,000	14.50
-	-
1,45,000	14.50

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

At 1 April 2012 (Proforma)
Issued during the year - Exercise of ESOP
Issued during the year - other than ESOP
At 31 March 2013 (Proforma)*
Issued during the year - Exercise of ESOP
Issued during the year - other than ESOP
At 31 March 2014 (Proforma)*
Issued during the year - Bonus issue
Issued during the year - Exercise of ESOP
Issued during the year - other than ESOP
At 31 March 2015 (Proforma)*
Issued during the year - Exercise of ESOP
Issued during the year - other than ESOP
At 31 March 2016*
Issued during the year - Exercise of ESOP
Issued during the year - other than ESOP
At 31 March 2017*

No. of shares	Rs. in million
7,35,61,585	735.62
2,15,766	2.16
5,29,99,572	529.99
12,67,76,923	1,267.77
13,09,935	13.10
5,29,751	5.30
12,86,16,609	1,286.17
64,61,25,652	6,461.26
6,563	0.06
16,76,916	16.77
77,64,25,740	7,764.26
4,19,539	4.19
11,95,852	11.96
77,80,41,131	7,780.41
28,71,902	28.72
3,00,000	3.00
78,12,13,033	7,812.13

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

* excluding 61,032 equity shares (March 31, 2016: 61,032 shares, March 31, 2015: 61,032 shares, March 31, 2014: 10,172 shares, March 31, 2013: 6,937 shares, April 1, 2012: Nil shares) held by ESOP trust which has been consolidated in accordance with the requirement of IND AS 102. The movement is explained below :-

	Share capital		Shares held by ESOP trust		Share capital (net)	
	No. of shares	Rs in million	No. of shares	Rs in million	No. of shares	Rs in million
At 1 April 2012 (Proforma)	7,35,61,585	735.62	-	-	7,35,61,585	735.62
Issued during the year - Exercise of ESOP	2,22,703	2.23	6,937	0.07	2,15,766	2.16
Issued during the year - other than ESOP	5,29,99,572	529.99	-	-	5,29,99,572	529.99
At 31 March 2013 (Proforma)	12,67,83,860	1,267.84	6,937	0.07	12,67,76,923	1,267.77
Issued during the year - Exercise of ESOP	13,13,170	13.13	3,235	0.03	13,09,935	13.10
Issued during the year - other than ESOP	5,29,751	5.30	-	-	5,29,751	5.30
At 31 March 2014 (Proforma)	12,86,26,781	1,286.27	10,172	0.10	12,86,16,609	1,286.17
Issued during the year - Bonus issue	64,61,76,512	6,461.77	50,860	0.51	64,61,25,652	6,461.26
Issued during the year - Exercise of ESOP	6,563	0.06	-	-	6,563	0.06
Issued during the year - other than ESOP	16,76,916	16.77	-	-	16,76,916	16.77
At 31 March 2015 (Proforma)	77,64,86,772	7,764.88	61,032	0.61	77,64,25,740	7,764.26
Issued during the year - Exercise of ESOP	4,19,539	4.19	-	-	4,19,539	4.19
Issued during the year - other than ESOP	11,95,852	11.96	-	-	11,95,852	11.96
At 31 March 2016	77,81,02,163	7,781.03	61,032	0.61	77,80,41,131	7,780.41
Issued during the year - Exercise of ESOP	28,71,902	28.72	-	-	28,71,902	28.72
Issued during the year - other than ESOP	3,00,000	3.00	-	-	3,00,000	3.00
At 31 March 2017	78,12,74,065	7,812.75	61,032	0.61	78,12,13,033	7,812.13

Details of shareholders holding more than 5% shares in the company (No. of shares)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Equity shares of Rs. 10 each fully paid up					
Maplewood Investment Limited	19,29,08,118	19,29,08,118	19,29,08,118	3,21,51,353	3,21,51,353
Spank Management Services Private Limited	18,01,48,333	18,01,22,627	16,32,66,970	2,89,54,978	2,84,17,744
RJ Corp Limited	7,87,48,368	7,87,48,368	7,87,48,368	1,31,24,728	1,31,24,728
Five Star Hospitality Investment Limited	-	-	-	-	64,96,636
APG Strategic Real Estate Pool N.V.	11,87,30,914	11,87,30,914	10,28,80,914	74,66,819	74,66,819

Details of shareholders holding more than 5% shares in the company (% shareholding)

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Equity shares of Rs. 10 each fully paid up					
Maplewood Investment Limited	24.69%	24.79%	24.85%	25.00%	25.36%
Spank Management Services Private Limited	23.06%	23.15%	21.03%	22.51%	22.41%
RJ Corp Limited	10.08%	10.12%	10.14%	10.20%	10.35%
Five Star Hospitality Investment Limited	-	-	-	-	5.12%
APG Strategic Real Estate Pool N.V.	15.20%	15.26%	13.25%	5.81%	5.89%

Terms/rights attached to equity shares

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

Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 35

Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Equity shares allotted as fully paid, pursuant to amalgamations	3,24,86,000	3,24,86,000	3,24,86,000	3,24,86,000	3,49,17,553
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	64,61,25,652	64,61,25,652	64,61,25,652	-	-

In addition, the company has issued total 4,884,737 shares ((March 31, 2015 : 3,048,468, March 31, 2015 : 2,656,166, March 31, 2014 : 1,313,170, March 31, 2013 : 1,261,437) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

14 Other equity

Securities Premium	Rs. In million
At 1 April 2012 (Proforma)	3,211.17
Add: Premium on issue of shares	2,366.09
Add: Additions on ESOPs exercised	10.82
Add: Transferred from Stock Options Outstanding	2.89
Add: On merger with Spank Hotels Private Limited (Also refer Note 49)	1,591.08
Add: On merger with Spank Hotels Private Limited for shares issued during the period April 1, 2011 to March 31, 2012 (Also refer Note 49)	242.79
Less: Adjustment on merger with Spank Hotels Private Limited (Also refer Note 49)	(308.62)
At 31 March 2013 (Proforma)	7,116.22
Add: premium on issue of shares	34.18
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	77.07
Add: transferred from stock options outstanding	19.66
At 31 March 2014 (Proforma)	7,247.13
Add: premium on issue of shares	73.26
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	1.12
Add: transferred from stock options outstanding	0.25
Less: amounts utilized toward issue of fully paid bonus shares	(6,461.26)
At 31 March 2015 (Proforma)	860.50
At 1 April 2015 (Refer Annexure VI)	860.50
Add: On issue of shares	7.77
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	1.37
Add: transferred from stock options outstanding	0.35
At 31 March 2016	869.99
Add: premium on issue of shares	3.45
Add: additions on ESOPs exercised (excluding transferred from stock options outstanding)	17.62
Add: transferred from stock options outstanding	4.38
At 31 March 2017	895.44
Retained Earnings	Rs. In million
At 1 April 2012 (Proforma)	(198.11)
Profit/(loss) for the year	(202.68)
On amalgamation of subsidiaries	(36.28)
On amalgamation - other than subsidiaries (Refer note no. 49)	56.63
At 31 March 2013 (Proforma)	(380.44)
Profit/(loss) for the year	(494.53)
On inclusion of new subsidiaries	(0.20)
At 31 March 2014 (Proforma)	(875.17)
Profit/(loss) for the year	(533.78)
At 31 March 2015 (Proforma)	(1,408.95)
At 1 April 2015 (Refer Annexure VI)	(1,383.63)
Profit/(loss) for the year	(311.46)
At 31 March 2016	(1,695.09)
On inclusion of new subsidiaries	(0.00)
Profit/(loss) for the year	(82.93)
At 31 March 2017	(1,778.02)

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information
Capital Reserve
Rs. In million
At 1 April 2012 (Proforma)

Add: Gain on deemed disposal of subsidiary (Also refer Note 43)	1,217.61
Less: Proportionate reduction in Goodwill on deemed disposal (Also refer Note 43)	(289.80)

Less: Goodwill netted off with capital reserve (Also refer Note 6)	(904.08)

At 31 March 2013 (Proforma)

Less: Goodwill netted off with capital reserve (Also refer Note 6)	(23.73)

At 31 March 2014 (Proforma)

Add: Gain on deemed disposal of subsidiary (Also refer Note 43)	644.58
Less: Proportionate reduction in Goodwill on deemed disposal (Also refer Note 43)	(72.70)

Less: Goodwill netted off with capital reserve (Also refer Note 6)	(21.81)

At 31 March 2015 (Proforma)

	550.07

At 1 April 2015 (Refer Annexure VI)

Add: Gain on deemed disposal of subsidiary (Also refer Note 43)	269.63
Less: Proportionate reduction in Goodwill on deemed disposal (Also refer Note 43)	(1.22)

At 31 March 2016

Increase/(decrease) during the year	5.46

At 31 March 2017	823.94

General Reserve
Rs. In million
At 1 April 2012 (Proforma)

Increase/(decrease) during the year	-

At 31 March 2013 (Proforma)

Increase/(decrease) during the year	-

At 31 March 2014 (Proforma)

Increase/(decrease) during the year	-

At 31 March 2015 (Proforma)

	303.52

At 1 April 2015 (Refer Annexure VI)

Increase/(decrease) during the year	-

At 31 March 2016

Increase/(decrease) during the year	-

At 31 March 2017	303.52

Share-based payments
Rs. In million
At 1 April 2012 (Proforma)

Add:- provision/(reversal) for the year (Refer note 35)	28.08

Less:- transferred to securities premium on exercise of stock options	18.50

	(2.89)

At 31 March 2013 (Proforma)

Add:- provision/(reversal) for the year (Refer note 35)	43.69

Less:- transferred to securities premium on exercise of stock options	0.28

	(17.70)

At 31 March 2014 (Proforma)

Add:- provision/(reversal) for the year (Refer note 35)	26.27

Less:- transferred to securities premium on exercise of stock options	1.32

	(0.25)

At 31 March 2015 (Proforma)	27.34

	2.66

Add:- provision/(reversal) for the year (Refer note 35)	14.87

Less:- transferred to securities premium on exercise of stock options	(0.35)

At 31 March 2016	17.18

Add:- provision/(reversal) for the year (Refer note 35)	11.41

Less:- transferred to securities premium on exercise of stock options	(4.38)

Lemon Tree Hotels Limited**Annexure V Notes to restated consolidated financial information****At 31 March 2017****24.21****Capital redemption reserve****Rs. In million****At 1 April 2012 (Proforma)****4.50**

Increase/(decrease) during the year

-

At 31 March 2013 (Proforma)**4.50**

Increase/(decrease) during the year

-

At 31 March 2014 (Proforma)**4.50**

Increase/(decrease) during the year

-

At 31 March 2015 (Proforma)**4.50****At 1 April 2015 (Refer Annexure VI)****4.50**

Increase/(decrease) during the year

-

At 31 March 2016**4.50**

Increase/(decrease) during the year

-

At 31 March 2017**4.50***(This space has been intentionally left blank)*

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Other reserves					
Securities Premium	895.44	869.99	860.50	7,247.13	7,116.22
Retained Earnings	(1,778.02)	(1,695.09)	(1,383.63)	(875.17)	(380.44)
Capital Reserve	823.94	818.48	550.07	-	23.73
General Reserve	303.52	303.52	303.52	303.52	303.52
Share-based payments	24.21	17.18	2.66	26.27	43.69
Capital redemption reserve	4.50	4.50	4.50	4.50	4.50
	<u>273.59</u>	<u>318.58</u>	<u>337.62</u>	<u>6,706.25</u>	<u>7,111.22</u>

Notes:

Capital reserve: Capital reserve represents reserve on consolidation of subsidiary.

General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paidup capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Share-based payments: The Group has two share option schemes under which options to subscribe for the Group's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 35 for further details of these plans.

Capital redemption reserve: The Companies Act provides that companies redeeming its preference shares at face value or nominal value is required to transfer an amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

Security premium: Security premium comprises premium received on issue of shares

Retained earnings: Retained earnings comprise balances of profit and loss at each year end.

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
15 Non-controlling interest					
Non-controlling interest	4,283.62	4,277.34	4,222.71	2,895.48	2,093.95

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

16 Borrowings

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Non-current borrowings					
Term Loans					
Indian rupee loans from Banks (Secured)					
Punjab National Bank (Refer note 1 below)	-	-	546.65	297.48	-
IDBI Bank Limited (Refer note 18 below)	-	-	-	-	24.00
Axis Bank Limited (Refer note 19 below)	641.44	723.33	791.32	-	-
Kotak Mahindra Bank Limited (Refer note 2, 3, 4 & 5 below)	664.75	393.15	79.23	67.33	6.60
Andhra Bank (Refer note 6 below)	217.13	240.94	264.75	470.66	672.16
The Ratnakar Bank Limited (Refer note 7, 8, 9 & 10 below)	1,059.35	1,159.37	1,235.36	1,271.84	292.45
Union Bank of India (Refer note 20 below)	-	-	-	-	157.19
Yes bank Limited (Refer note 11 below)	3,196.63	1,576.24	1,216.48	1,464.47	-
State Bank of India Limited (Refer note 22 below)	-	-	-	462.20	487.41
Hdfc Bank Limited (Refer note 15 below)	202.74	-	-	-	-
Vehicle loans (Refer note 12 below)	15.99	11.59	17.14	27.01	28.33
Foreign currency loan from banks (Secured)					
Axis Bank Limited (Refer note 19 below)	-	-	-	367.15	1,079.94
Rupee term loans from financial institutions (Secured)					
Tourism Finance Corporation of India Limited (Refer note 16 & 17 below)	-	205.69	320.85	156.87	397.32
IDFC Limited (Refer note 21 below)	-	-	-	-	560.44
Aditya Birla Finance Limited (Refer note 13 & 14 below)	909.00	926.99	394.17	-	-
Total non-current borrowings	6,907.03	5,237.30	4,865.95	4,585.01	3,705.84
Current borrowings					
Term Loans					
Indian rupee loans from Banks (Secured)					
Current maturity of long term loans					
Punjab National Bank (Refer note 1 below)	-	-	1.38	-	-
IDBI Bank Limited (Refer note 18 below)	-	-	-	24.00	24.00
Axis Bank Limited (Refer note 19 below)	72.00	66.00	45.20	-	115.84
Kotak Mahindra Bank Limited (Refer note 2, 3, 4 & 5 below)	121.90	83.49	21.00	21.00	13.50
Andhra Bank (Refer note 6 below)	24.00	24.00	15.00	27.70	53.32
The Ratnakar Bank Limited (Refer note 7, 8, 9 & 10 below)	102.38	77.25	29.00	15.00	7.50
Union Bank of India (Refer note 20 below)	-	-	-	-	35.71
Yes bank Limited (Refer note 11 below)	54.40	25.00	6.25	-	-
State Bank of India Limited (Refer note 22 below)	-	-	-	25.20	12.60
Hdfc Bank Limited (Refer note 15 below)	4.20	-	-	-	-
Vehicle loans (Refer note 12 below)	7.38	8.32	12.69	13.25	10.77
Foreign currency loan from banks (Secured)					
Axis Bank Limited (Refer note 19 below)	-	-	-	19.84	15.00
Rupee term loans from financial institutions (Secured)					
Tourism Finance Corporation of India Limited (Refer note 16 & 17 below)	-	19.26	44.64	44.64	58.64
IDFC Limited (Refer note 21 below)	-	-	-	-	75.00
Aditya Birla Finance Limited (Refer note 13 & 14 below)	18.80	12.40	-	-	-
Total current borrowings	405.06	315.72	175.16	190.63	421.88
Less: Amount clubbed under "other current liabilities"	(405.06)	(315.72)	(175.16)	(190.63)	(421.88)
Net current borrowings	-	-	-	-	-

(ii) Other financial liabilities

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Security deposits	4.85	14.48	15.70	49.52	40.10
	4.85	14.48	15.70	49.52	40.10

Footnotes to Note 16 "Borrowings"									Rs in million
Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Carrying rate of Interest as at March 31, 2015	Carrying rate of Interest as at March 31, 2014	Carrying rate of Interest as at March 31, 2013	Repayment/ Modification of terms	Security/ Principal terms and conditions
1	Punjab National Bank	550.00	Nil	Nil	Base rate plus 3%	Base rate plus 3%	Nil	Loan is repayable in 38 Quarterly ballooning Installments payable back ended and commencing from 31.01.2016 after allowing moratorium period.	First charge of all movables including fixed assets, current assets, capital goods/capex goods and mortgage by way of deposit of title deeds of its property at Gachi bowli, Hyderabad, Andhra Pradesh is created in favor of Punjab National Bank to secure the credit facilities. Prepayment charges: 2% of the amount prepaid Default charges: Penal interest @ 25 over and above the stipulated rate of interest
2	Kotak Mahindra Bank Limited	75.00	11.95%	11.95%	13.00%	Nil	Nil	The loan is repayable in 60 monthly installments of Rs 1.67 mn. each along with interest subsequently after disbursement beginning from April 2013.	The Term Loan is secured by way of: a) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon. b) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels lactated at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge. c) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon. d) The loan is secured by first and exclusive charge on all existing and future current assets and moveable fixed assets of the company, first and exclusive equitable charge on immovable properties being land and building situated at 54B/55A Hosur Main road Electronic city Phase 1 Bangalore Karnataka and Corporate guarantee of Fleur Hotels Pvt Ltd. e) Personal Guarantee of Mr. Patanjali G. Keswani. Prepayment charges: No prepayment penalty Default charges: 2% above the normal rate of interest
3	Kotak Mahindra Bank Limited	100.00	12.30%	12.50%	12.50%	Nil	Nil	The loan is repayable in 60 monthly installments.	
4	Kotak Mahindra Bank Limited	603.00	11.30%	11.50%	Nil	Nil	Nil	Loan shall be repaid by way of 120 equal monthly installments starting from month following the month of first disbursement of loan i.e. December 2015.	
5	Kotak Mahindra Bank Limited	200.00	11.95%	11.95%	13.00%	Nil	Nil	The loan is repayable in 20 quarterly installments post the end of the moratorium period.	
6	Andhra Bank	300.00	interest rate @ base rate + 3.50% (Currently 11.50%)	interest rate @ base rate + 1.25% + 0.50% (Currently 11.50%)	interest rate @ base rate + 3.50% (Currently 13.75%)	interest rate @ base rate + 3.50% (Currently 13.75%)	interest rate @ base rate + 3.75% (Currently 14%)	The loan is repayable in scattered quarterly installment beginning from March 2014. Interest is payable monthly as and when due.	It is secured by : (i) First pari-passu charge on all the Project's immovable properties (except land), present and future. (ii) First pari-passu charge by way of hypothecation of all the project's movables, including movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) First pari-passu charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities & subject to prior approval of the bank. (iv) First charge by way of assignment or creation of charge in favor of the lender of (a) All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; (b) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; (c) All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents and ; (d) All insurance contracts/insurance proceeds; (v) Pari-passu charge along with the other lenders on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the substitution agreement, on pari-passu basis with other lenders. Prepayment charges: 2% over prepaid amount Default charges: 2% p.a.
7	The Ratnakar Bank Limited	300.00	interest rate @ base rate +2.75% (Currently 11.50%)	interest rate @ base rate +2.75% (Currently 13.65%)	interest rate @ base rate +2.75% (Currently 13.75%)	interest rate @ base rate +2.75% (Currently 13.65%)	interest rate @ base rate +2.75% (Currently 13.65%)	The loan is repayable in scattered quarterly installment beginning from December 2013.	It is secured by : (i) First charge on all the Project's immovable properties (except land), present and future subject to prior confirmation from panel advocates/Legal Department of the Bank. (ii) A first charge by way of hypothecation of all the project's movables including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future. (iii) A first charge on the project's book debts, operating cash flows, receivables, commissions, bank accounts (wherever held), revenues of whatever nature and wherever arising, present and future subject to prior charge of bankers on specified current assets for securing working capital facilities. (iv) First charge by way of assignment or creation of charge in favor of the lender of - All the right, title, interest, benefits, claims and demands whatsoever of the borrower in agreements (development agreement, management agreement, construction contract), duly acknowledged and consented to by the counter party; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in clearances; - All the rights, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantee, performance bond provided by any party to the project documents - All insurance contracts/insurance proceeds; (v) Charges on the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of the company wherever maintained; (vi) Right of substitution and other rights under the Substitution Agreement. Prepayment charges: 2% of amount prepaid Default charges: 2% over and above applicable interest rate
8	The Ratnakar Bank Limited	300.00	interest rate @ base rate +1.55% (Currently 12.20%)	interest rate @ base rate +1.55% (Currently 12.20%)	interest rate @ base rate +1.55% (Currently 12.55%)	interest rate @ base rate +1.55% (Currently 12.55%)	Nil	The loan is repayable in scattered quarterly installment beginning from June 2016. Interest is payable monthly as and when due	It is secured by : a) First pari passu charge on the current assets, entire movable fixed assets and immovable assets of the Hotel Lemon Tree, Udyog Vihar; Hotel Lemon Tree, Pune; Hotel Lemon Tree, Ahmedabad; Hotel Lemon Tree, Chennai; Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad. Prepayment charges: 2% of amount prepaid Default charges: additional interest @ 2%
9	The Ratnakar Bank Limited	250.00	12.20%	12.55%	12.55%	12.55 % to 14.50 %	Nil	The Loan is repayable in 32 quarterly installments starting from Dec'15.	The Loan is secured by a exclusive charge on all the movable fixed assets of the company situated at EDM mall, East Delhi, built on Plot no. 1, Kausambi, Ghaziabad, exclusive charge on the current assets of Company's hotel including book debts, operating cash flows, intangible revenues both present and future and exclusive charge by way of equitable mortgage over land and building of company's hotel (cross collateralised with the exposure granted to Sukhsagar Complexes Pvt. Ltd) and exclusive charge on the property at at Khasra No.102/103/433, Village Jhalana , J.L.N. Marg , Jaipur (cross collateralised with the exposure granted to Sukhsagar Complexes Pvt. Ltd). Further it is secured by Coporate Guarantee of parent company. Prepayment charges: 2% of amount prepaid Default charges: additional interest @ 2%

Footnotes to Note 16 "Borrowings"									Rs in million
Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Carrying rate of Interest as at March 31, 2015	Carrying rate of Interest as at March 31, 2014	Carrying rate of Interest as at March 31, 2013	Repayment/ Modification of terms	Security/ Principal terms and conditions
10	The Ratnakar Bank Limited	450.00	12.20%	12.55%	12.55%	12.55%	Nil	32 quarterly instalments starting from date of first disbursement after 24 month moratorium period.	Exclusive charge by way of Hypothecation on all the moveable fixed assets of the company's hotel situated at Khesra No. 102/103/433 Village Jhalana, J.L.N. Marg, Jaipur Exclusive charge by way of Hypothecation on all the current assets of company's Hotel, including book debts, operating cash flows, intangible revenues, both present & future Exclusive charge by way of equitable mortgage over land and building over company's hotel situated at Khesra No. 102/103/433 Village Jhalana, J.L.N. Marg, Jaipur (cross collateralised with the exposure granted to Canary Hotels Private Limited) Exclusive charge by way of equitable mortgage on property at EDM-mall, built up on Plot no. 1, kaushambi tehsil & district Ghaziabad, Uttar Pradesh (cross collateralised with the exposure granted to Canary Hotels Private Limited) Unconditional and irrevocable corporate guarantee of parent company Prepayment charges: Nil in case of the following: a) The outstanding loan amount is paid from company's own sources, including any freshequity/ subordinated debts from promoters raised b) The amount is paid at each 6 months interval from the day of first disbursement with a 30 day prior notice Default charges: Additional interest @ 2% on the overdue interest
11	Yes Bank Limited	1,800.00	interest rate @ base rate +0.28% (Currently 10.78%)	interest rate @ base rate +1.80% (Currently 12.05%)	interest rate @ base rate +0.80% (Currently 12.55%)	interest rate @ base rate +0.80% (Currently 11.55%)	Nil	The loan is repayable in scattered quarterly installment beginning from April 2017.	a) Exclusive charge on all immovable fixed assets of Lemon tree hotels Premier, Hyderabad. b) Exclusive charge on all moveable fixed assets and current assets both present and future of LTH, Hyderabad. c) Corporate guarantee of the Company Prepayment charges: Nil Default charges: Additional interest of 2%
12	Vehicle loan (different banks)	-	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	Rate of interest of these loans ranges from 9.00 % to 14.00 %	These loans are repaid on agreed monthly installments.	Vehicle loan is secured by hypothecation of underlying motor vehicle acquired out of such loans
13	Aditya Birla Finance Limited	400.00	interest rate @ benchmark rate + 2.30% (Currently 11.55%)	interest rate @ benchmark rate + 2.30% (Currently 11.80%)	interest rate @ benchmark rate + 2.30% (Currently 12.55%)	Nil	Nil	The loan is repayable in scattered quarterly installment beginning from December 2016. Interest is payable monthly as and when due.	It is secured by : a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of the Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore, Red Fox Hotel, Hyderabad Prepayment charges: 2% of amount prepaid Default charges: 2% over the applicable interest rate
14	Aditya Birla Finance Limited	550.00	Base Rate Plus 2.15%	Base Rate Plus 2.15%	Nil	Nil	Nil	The Loan is repayable in 56 Structured Quarterly Installments payable after moratorium period of 12 months from the date of first disbursement.	a) first exclusive charge of all immovables fixed assets (both present and future) of the LTH Gachibowli hyderabad hotel b) first exclusive charge on all the movable fixed assets (both present and future) of LT Gachibowli hyderabad hotel. c) first exclusive charge on escrow account of entire cash flow of LT Gachibowli hyderabad hotel. d) Corporate guarantee of the Company. Prepayment charges: 2% of amount prepaid Default charges: 2% over the applicable interest rate
15	HDFC Bank Limited	210.00	interest rate @ for first year (MCLR for 3 years + 0.65 basis points) & 11.15% for remaining tenure of loan (MCLR for 3 years + 1.80 basis points) (Currently 9.70%)	Nil	Nil	Nil	Nil	The loan is repayable in 40 step-up quarterly installments.	It is secured by : a) First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and building thereon. b) A first & exclusive charge on Projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) unencumbered-book debts, operating cash flows, receivables, commissions, banks accounts (whenever held) if any-present & future all revenues c) Mortgage of leasehold rights of the projects (Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh) land admeasuring 0.46 acre (2241.38 sq yrd) and building thereon. Prepayment charges: 2% for initial 2 years and Nil thereafter Default charges: 2% p.a.
16	Tourism Finance Corporation of India Limited	220.00	prime lending rate + 0.50% (currently 13.0%)	prime lending rate + 0.50% (currently 13.0%)	prime lending rate + 0.50% (currently 13.5%)	prime lending rate + 0.50% (currently 13.5%)	prime lending rate + 0.50% (currently 13.5%)	The loan is repayable in 32 installment of 6.875 mn. each along with interest beginning from October 2011	A. A first mortgage of plot of land measuring 1800 sq. mtrs (19368 sq. ft.) at Plot No. 6, Kondli Community Centre, Sector-A, Kondli, New Delhi with all the buildings and structures thereon. B. A first charge by way of hypothecation of all the movables subject to prior charge of bankers on Specified movable assets for securing working capital facilities. C. Personal guarantee of one of the directors of the company. D. Corporate guarantee of Holding Company E. The company is also availing Non Funded credit facilities of Rs.100 lacs from Axis Bank which are secured by a second charge on the Land mentioned in point no.A hereinabove. Prepayment charges: Nil Default charges: 2% p.a.
17	Tourism Finance Corporation of India Limited	210.00	Nil	interest rate @ TBR+0.75%P.A. (Currently 13.00%)	interest rate @ TBR+0.50%P.A. (Currently 13.50%)	interest rate @ TBR+0.50%P.A. (Currently 13.50%)	interest rate @ TBR+0.50%P.A. (Currently 13.50%)	The loan was taken over by HDFC Bank with effect from 30.05.2016.	Below mentioned charge was satisfied on repayment of loan: a) First charge on all the fixed assets, both present and future, of the hotel "Lemon Tree" at Plot No. 3 MW, Phase-I, Industrial Area, Chandigarh, including hypothecation of all movables and mortgage of leasehold rights on land admeasuring 0.46 acres and building thereon. Prepayment charges: Nil Default charges: 2% p.a.
18	IDBI Bank Limited	120.00	Nil	Nil	Nil	Nil	interest rate @ base rate +2.75% (Currently 13.65%)	The Loan is repayable in 20 quarterly installments of Rs 6,000,000 each along with interest starting from April'10.	The Loan is secured by first charge of mortgage of leasehold rights on the plot of land at 3, R.N.T Marg, Indore, Madhya Pradesh with all the buildings and structures thereon and first charge of hypothecation of all the movables of the Company at 3, R.N.T Marg, Indore, Madhya Pradesh subject to prior charge of bankers on specified movable assets for securing working capital facilities. Prepayment charges: 1% of prepaid amount Default charges: 2% p.a.
19	Axis Bank Limited	1,000.00	base rate + 3.25% (Currently 11.85%)	base rate + 3.25% (Currently 13.25%)	base rate + 3.25% (Currently 13.25%)	base rate + 3.25%	base rate + 3.25%	The Loan is repayable in 40 quarterly instalments with first installment falling due after a period of 3 years from first disbursement.	It is secured by way of (a) A first pari passu charge on the Borrower's properties & assets, both present & future, pertaining to the Lemon Tree Hotel project of the Company at Delhi Aerocity Hospitality District (Except Project Land). (b) A first pari passu charge on Company's bank accounts and all revenues of the Company. (c) Right of substitution provided by DIAL under tripartite agreement with the Company and SBI as lender's agent. (d) Pledge of 51% equity shares of the Company held by the Holding Company. (e) Corporate guarantee of the Company. Prepayment charges: 2% plus tax of amount prepaid Default charges: 1% on overdue interest
20	Union Bank of India	250.00	Nil	Nil	Nil	Nil	bank prime lending rate+0.5% (Currently 13.50%)	The loan is repayable in 28 quarterly installment of Rs 8,928,572 along with interest beginning from September 2011.	(i) First charge on all fixed and current assets, both present and future, purchased out of the term loan sanctioned by the Bank. (ii) First charge on Hotel Project's book debts that includes book debts, outstanding monies, receivables, claims, bills contracts, securities, investments, rights and assets, both present and future. Prepayment charges: 2% of prepaid amount Default charges: 2% p.a.

Footnotes to Note 16 "Borrowings"								Rs in million	
Note	Lender	Amount Sanctioned	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at March 31, 2016	Carrying rate of Interest as at March 31, 2015	Carrying rate of Interest as at March 31, 2014	Carrying rate of Interest as at March 31, 2013	Repayment/ Modification of terms	Security/ Principal terms and conditions
21	IDFC Limited	750.00	Nil	Nil	Nil	Nil	400 basis points higher than the prevailing bank's prime lending rate (currently 12.78%)	The loan is repayable in scattered quarterly installment along with interest beginning from April 2011	i) first pari passu mortgage and charge on the company's immovable properties present and future, pertaining to the Existing Projects along with the company's movable (including movable plant & machinery, machinery spares, tools and accessories, furniture, fixture, vehicle and all other movable assets present and future; cashflow, receivables, books debts, revenues of whatsoever nature and wherever arising present and future; all the rights, title, interest, benefit, claims and demands whatsoever of the company in the existing Projects' Documents pertaining to the six Hotels/Projects (Gurgaon-City Center, Goa, Hinjewadi Pune, Ahmedabad, Chennai and Bangalore, including but not limited to insurance contracts), duly acknowledgment and consented to by the relevant counter - parties to such Existing Projects', Documents, all as amended, varied or supplemented from time to time; all the rights, title, interest, benefits, claims and demands whatsoever of the Company, Trust and Relation Account / Escrow Account, any other bank accounts of the company wherever maintained; for the Existing Projects . (ii) first charge on the cash flows of Management Fee receivable of certain projects and assignment of Operation and Management Agreements along with the Escrow Account, and other bank accounts of the Company wherever maintained to record a charge on the Management Fees on which the Lender shall have a charge. (iii) first pari passu mortgage and charge on the Company's immovable properties, present and future, along with Company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents pertaining to Udyog Vihar, Gurgaon (including but not limited to insurance contracts), duly acknowledged and consented to by the relevant counter-parties to such Project Documents pertaining to Udyog Vihar, Gurgaon, all as amended, varied or supplemented from time to time; all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances, all the rights, title, interest, benefits, claims and demands whatsoever of the Company pertaining to Udyog Vihar, Gurgaon (iv) Personal Guarantee of Mr. Patanjali G. Keswani. Prepayment charges: 2% of prepaid amount Default charges: 2% p.a.
22	State Bank of India	550.00	Nil	Nil	Nil	base rate + 3.5% currently 13.5%	base rate + 3.5% currently 13.5%	Loan is repayable in 40 instalments starting from Q3 2013-2014.	This Loan is secured by : A. A first pari passu charge on the Borrower's properties & assets, both present & future, pertaining to the Lemon Tree Hotel project of the Company at Delhi Aerocity Hospitality District (Except Project Land). B. A first pari passu charge on Company's bank accounts and all revenues of the Company. C. Right of substitution provided by DIAL under tripartite agreement with the Company and SBI as lender's agent. D. Pledge of 51% equity shares of the Company held by the Holding Company. E. Corporate guarantee of the Holding Company. Prepayment charges: 2% of amount prepaid Default charges: 2% over the applicable interest rate

(i) The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date.

(ii) Bank loans availed by the Company are subject to certain covenants relating to interest coverage ratio, debt service coverage ratio, capital gearing ratio. The Company has complied with the covenants as per the terms of the loan agreement.

17 Provisions

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Provision for gratuity	17.15	14.40	11.60	8.49	7.04
Current	3.59	2.51	2.11	1.33	1.64
Non-current	13.56	11.89	9.49	7.16	5.40
	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Provision for leave benefits	12.11	9.99	8.94	8.45	7.24
Current	12.11	9.99	8.94	8.45	7.24
Non-current	-	-	-	-	-
	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Provision for litigations	6.95	4.75	-	-	-
Current	6.95	4.75	-	-	-
Non-current	-	-	-	-	-
Total current	22.65	17.25	11.05	9.78	8.88
Total non-current	13.56	11.89	9.49	7.16	5.40

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

18 Deferred tax liability (net)

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Property, plant & equipment	594.72	573.30	531.43	502.21	305.93
Current investments	0.06	0.11	-	-	-
Others	-	-	-	-	0.09
Deferred tax liability	594.78	573.41	531.43	502.21	306.02
Impact of expenditure charged to the statement of profit and loss in the current/ earlier period but allowable for tax purposes on payment basis	12.01	31.20	6.56	9.94	10.21
Provision for doubtful debts and advances	1.04	0.34	0.08	0.23	0.22
Effect of unabsorbed depreciation and business loss (Also refer note 31)	312.07	303.55	404.35	338.01	195.87
Gratuity	3.57	3.44	2.83	2.26	-
Leave compensation	2.64	2.38	2.26	2.41	-
Loyalty program	0.18	0.23	0.62	0.57	-
Provision for litigations	0.97	-	-	-	-
Inventory	1.06	-	-	-	-
Security deposits	22.29	19.66	17.41	30.86	24.69
Loan to employee	0.58	0.72	1.12	1.27	0.70
Borrowings	0.04	0.01	0.01	0.22	1.78
Prepaid expenses	0.18	-	-	-	-
Lease equalization reserve	33.23	28.27	22.85	17.34	11.84
MAT credit entitlement receivable	137.42	114.64	77.20	96.54	11.48
Deferred tax asset	527.28	504.44	535.29	499.65	256.79
Deferred tax liability (net)	67.50	68.97	(3.86)	2.56	49.23

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Profit/(loss) before tax	(24.75)	(172.76)	(600.80)	(355.91)	(225.51)
Tax rate	33.99%	33.99%	33.99%	33.99%	33.99%
Tax at statutory income tax rate	(8.41)	(58.72)	(204.21)	(120.97)	(76.65)
Effect of incomes taxable at nil/lower rate	(21.23)	(9.22)	220.97	106.56	34.84
Effect of non-deductible expenses	(6.14)	1.57	(17.65)	44.76	(21.38)
Unrecognized tax assets (net)	82.73	191.60	32.44	6.81	37.41
Net	46.95	125.23	31.55	37.16	(25.78)
As per statement of profit and loss	46.95	125.23	31.55	37.16	(25.78)

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19 Other Non-current liabilities

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Reserve for lease equalisation	208.28	143.40	76.10	51.04	34.84
Advance from customers (earnest advance)	-	-	4.80	-	-
	208.28	143.40	80.90	51.04	34.84

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Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

20 Financial liabilities

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
(i) Borrowings					
Cash credit from banks (Secured)	321.60	441.92	416.37	573.89	213.98
Working capital loan (Secured)	100.00	-	-	-	-
0% loan from Dr. Fresh Assets Private Limited repayable on demand (Unsecured)	-	-	-	22.47	22.46
0% loan from shareholders and directors repayable on demand (Unsecured)	253.00	253.00	253.00	216.65	196.65
	<u>674.60</u>	<u>694.92</u>	<u>669.37</u>	<u>813.01</u>	<u>433.09</u>

The Cash credit facility and working capital loan from Kotak Mahindra Bank is repayable on demand and carries interest rate of 12.00% p.a. (March 31, 2016: 12.90% p.a., March 31, 2015: 13.75% p.a., March 31, 2014: 14.00% p.a., March 31, 2013: 14.25% p.a.) and is secured by way of:

a.) Exclusive charge on all existing and future current assets of the borrower's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon.

b.) Subservient charge over all existing and future current assets of the Company except current assets of the company's hotels located at Gurgaon (city centre new), Aurangabad, Indore, and Sector-29, Gurgaon on which bank has exclusive charge.

c.) Equitable Mortgage by way of exclusive charge on the plot of Land at Sector-29, Gurgaon owned by the borrower. Also, exclusive charge over Moveable Fixed assets of the Hotel Property at Sector-29, Gurgaon.

d.) Personal Guarantee of Mr. Patanjali G. Keswani.

The Cash credit facility from Yes Bank is repayable on demand and carries interest rate of 10.70% p.a. (March 31, 2016: 12.05% p.a., March 31, 2015: 11.55% p.a., March 31, 2014: 12.55% p.a., March 31, 2013: Nil) and is secured by way of:

a) First pari passu charge on all immovable fixed assets, movable fixed assets and current assets (both present and future) including land and building of Hotel Lemon Tree, Udyog Vihar, Hotel Lemon Tree, Pune, Hotel Lemon Tree, Ahmedabad, Hotel Lemon Tree, Chennai, Hotel Lemon Tree, Bangalore and Red Fox Hotel, Hyderabad

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
(ii) Trade payables					
Trade Payables	604.27	511.34	334.00	459.02	114.44
	<u>604.27</u>	<u>511.34</u>	<u>334.00</u>	<u>459.02</u>	<u>114.44</u>

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
(iii) Other financial liabilities					
Current maturities of long-term borrowings	405.06	315.72	175.16	190.63	421.88
Interest accrued but not due on borrowings	4.14	3.93	2.44	11.20	4.91
Book overdraft	46.86	61.97	4.73	57.33	23.18
Other payables					
-Payable for capital goods	201.36	139.57	77.53	106.56	205.42
-Security Deposits	0.07	2.33	2.12	5.58	2.61
-Payable to employees	1.51	1.37	1.21	-	-
Outstanding dues of other creditors	399.38	328.35	300.00	0.00	198.83
	<u>1,058.38</u>	<u>853.24</u>	<u>563.19</u>	<u>371.30</u>	<u>856.83</u>

21 Other current liabilities

	As at March 31, 2017 Rs. In million	As at March 31, 2016 Rs. In million	As at March 31, 2015 Rs. In million Proforma	As at March 31, 2014 Rs. In million Proforma	As at March 31, 2013 Rs. In million Proforma
Advance from customers	95.00	63.76	23.53	21.35	14.95
Deferred revenue- loyalty programme	0.53	0.67	1.82	1.67	1.41
Statutory Dues	91.33	65.57	61.94	59.64	40.40
Share Application money pending allotment	-	-	-	-	39.47
	<u>186.86</u>	<u>130.00</u>	<u>87.29</u>	<u>82.66</u>	<u>96.23</u>

22 Revenue From Operations

Revenue from operations

Sale of products and services

	March 31, 2017 Rs. In million	March 31, 2016 Rs. In million	March 31, 2015 Rs. In million Proforma	March 31, 2014 Rs. In million Proforma	March 31, 2013 Rs. In million Proforma
- Room rental	2,716.88	2,411.18	1,866.85	1,449.79	1,437.27
- Food and beverage (excluding liquor and wine)	785.69	743.12	624.53	487.36	441.64
- Liquor and wine	96.63	88.76	63.30	48.72	52.19
- Banquet rentals	16.83	11.12	9.30	6.98	33.09
- Telephone and telex	10.32	7.26	7.01	8.38	11.90
- Other Services	361.60	329.10	268.11	194.88	162.60

Other Operating Revenue

- Management fee	130.87	88.26	63.86	20.92	8.60
- Commission income	0.52	0.73	0.66	0.20	0.86
Revenue from operations	4,119.34	3,679.53	2,903.62	2,217.23	2,148.15

23 Other Income

Other income - recurring

Income from serve for India scheme (Export incentives)	7.40	9.77	5.64	2.97	19.69
Rent received	5.43	5.13	4.10	3.09	2.37
Miscellaneous income	5.12	3.09	2.04	1.79	2.02

Other income - non recurring

Profit on relinquishment of rights (Refer note 51)	43.95	-	-	-	-
Reversal of provision for doubtful debts	-	-	-	-	0.04
Reversal of depreciation	-	-	-	-	0.14
Excess provision/ credit balances written back	0.06	3.22	0.36	4.53	1.97
Exchange difference (net)	0.06	-	0.02	-	-

Total

	62.02	21.21	12.16	12.38	26.23

24 Cost of food and beverages consumed

(a) Consumption of food & beverages excluding liquor & wine

Inventory at the beginning of the year	10.01	7.72	6.77	6.58	4.91
Add: Purchases	318.80	317.33	262.43	225.25	204.72
	328.81	325.05	269.20	231.83	209.63
Less: Inventory at the end of the year	10.25	10.01	7.72	6.77	6.58
Cost of food and beverage consumed	318.56	315.04	261.48	225.06	203.05

(b) Consumption of liquor & wine

Inventory at the beginning of the year	11.59	7.75	6.99	6.43	5.80
Add: Purchases	34.31	34.91	23.69	19.74	18.58
	45.90	42.66	30.68	26.17	24.38
Less: Inventory at the end of the year	11.19	11.59	7.75	6.99	6.42
Cost of liquor and wine consumed	34.71	31.07	22.93	19.18	17.96

	353.27	346.11	284.41	244.24	221.01

25 Employee benefit expense

Salaries, wages and bonus	799.85	711.30	665.18	548.66	455.89
Contribution to provident fund and other funds	32.23	29.62	28.31	22.45	19.62
Share based payments to employees	11.41	14.87	1.33	2.24	18.49
Gratuity expense	5.02	4.35	3.30	0.48	9.21
Leave compensation expenses	3.52	1.77	1.75	2.14	2.11
Staff welfare expenses	116.86	92.12	81.93	70.38	58.27

	968.89	854.03	781.80	646.35	563.59

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Annexure V Notes to restated consolidated financial information

26 Other Expenses

	March 31, 2017 Rs. In million	March 31, 2016 Rs. In million	March 31, 2015 Rs. In million Proforma	March 31, 2014 Rs. In million Proforma	March 31, 2013 Rs. In million Proforma
Consumption of stores, cutlery, crockery, linen, provisions and others	130.05	123.73	114.93	91.12	74.40
License fee	40.40	38.29	36.29	9.24	-
Power and fuel	384.09	370.22	341.22	276.77	239.19
Guest transportation	88.22	89.14	88.48	85.41	71.42
Spa expenses	15.15	12.81	9.11	6.74	6.45
Subscription charges	9.95	9.27	14.99	28.30	30.12
Repair and maintenance					
- Buildings	62.92	53.56	26.49	14.46	32.04
- Plant and machinery	64.82	57.85	51.38	42.15	26.24
- Others	72.38	55.25	42.17	32.13	37.58
Rent	234.66	164.85	154.74	138.95	144.59
Rates and taxes	87.13	92.47	106.22	93.69	67.65
Insurance	9.66	9.25	8.74	6.77	9.37
Communication costs	82.87	86.77	71.20	63.10	47.68
Printing and stationery	22.05	20.09	18.05	15.25	13.94
Traveling and conveyance	20.64	24.36	19.87	17.91	18.63
Vehicle running and maintenance	17.22	17.64	19.93	16.08	24.25
Advertisement and business promotion	30.25	28.16	31.24	19.43	27.29
Management fees	-	-	-	1.35	0.15
Commission -other than sole selling agent	55.69	37.02	21.55	12.01	12.15
Security and cleaning expenses	71.72	58.76	49.42	40.53	32.84
Membership and subscriptions	4.17	3.32	1.79	2.60	2.22
Legal and professional fees	94.18	76.61	74.20	55.78	48.32
Advances written off	0.26	5.54	0.01	0.35	-
Freight and cartage	1.54	1.99	2.11	2.33	1.64
Exchange difference (net)	-	0.03	-	0.16	0.28
Donations	0.89	1.54	0.10	1.46	3.69
Loss on sale of Property, plant & equipment (net)	2.16	5.35	2.81	2.26	4.26
Provision for doubtful debts	2.24	1.21	1.22	-	0.25
Miscellaneous expenses	28.22	22.65	22.09	16.93	12.17
	1,633.53	1,467.73	1,330.35	1,093.27	988.81

27 Finance Costs

	March 31, 2017 Rs. In million	March 31, 2016 Rs. In million	March 31, 2015 Rs. In million Proforma	March 31, 2014 Rs. In million Proforma	March 31, 2013 Rs. In million Proforma
Interest					
- on term loans from banks	622.32	532.41	559.83	388.57	307.13
- on loans from financial institutions	63.93	25.28	87.90	47.80	128.41
- on loans from others	0.78	79.65	1.00	2.23	0.00
- on vehicle loans	2.10	2.52	3.95	4.47	3.91
- on other credit facilities from banks	47.50	46.58	39.52	14.16	14.95
- on income tax	0.30	0.20	2.80	0.08	0.06
- on others	0.41	0.29	-	-	-
Prepayment charges	4.22	0.16	-	-	-
Fair value loss on financial instruments at fair value through profit or loss	0.18	-	-	-	-
Bank charges (including commission on credit card collection)	34.18	33.14	29.60	30.33	23.32
	775.92	720.23	724.60	487.64	477.78

28 Finance income

	March 31, 2017 Rs. In million	March 31, 2016 Rs. In million	March 31, 2015 Rs. In million Proforma	March 31, 2014 Rs. In million Proforma	March 31, 2013 Rs. In million Proforma
Finance income - recurring					
Interest Income on :					
-Bank Deposits	8.20	7.91	18.30	13.14	6.26
-Others	23.78	11.12	21.90	18.61	12.22
Finance income - Non-recurring					
Profit on sale of investment	2.65	17.05	67.19	147.20	9.19
Interest Income on :					
- Interest on income tax refund	0.07	0.36	-	-	-
- Inter corporate deposits	-	-	-	9.23	0.34
Dividend income on mutual funds	-	-	-	0.45	11.52
Fair value loss on financial instruments at fair value through profit or loss	0.92	0.77	14.06	7.01	49.20
	35.62	37.21	121.45	195.64	88.73

29 Depreciation and Amortization Expense

	March 31, 2017 Rs. In million	March 31, 2016 Rs. In million	March 31, 2015 Rs. In million Proforma	March 31, 2014 Rs. In million Proforma	March 31, 2013 Rs. In million Proforma
Depreciation of tangible assets	504.25	515.77	504.36	300.99	229.03
Amortization of intangible assets	5.54	6.51	12.26	8.75	9.26
Depreciation on investment properties	0.44	0.44	0.44	0.00	-
Depreciation capitalized	(0.11)	(0.11)	(0.19)	(0.08)	(0.86)
	510.12	522.61	516.87	309.66	237.43

30 Earnings per share (Basic and Diluted)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Profit/ (loss) attributable to equity holders (for basic and diluted) (Rs. In million)	(71.70)	(297.99)	(632.35)	(393.05)	(199.73)
Weighted Average Number of Equity Shares (for basic and diluted)*	77,96,27,716	77,72,46,165	77,64,86,772	77,07,42,798	70,69,66,895
Basic & Diluted EPS (in Rs.)	(0.09)	(0.38)	(0.81)	(0.51)	(0.28)

* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year.

* During the year ended March 31, 2015, the Company has allotted 646,125,652 number of equity shares as fully paid up bonus shares. The Weighted average number of equity shares of the previous years has been accordingly adjusted by 642,285,665 equity shares while computing basic and diluted earning per shares.

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31. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – Group as lessee

The Group has taken certain land and land and building on long term lease basis. The lease agreements generally have an escalation clause. These leases are generally non-cancellable. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life/ remaining economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Further, the Group based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalations (generally 15% every 3 years or 20% every 4 years) are aligned to the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straight-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 37 for further disclosures).

Taxes

The Group recognizes deferred tax assets (including MAT credit) to the extent of deferred tax liability. While, the management based on its assessment of the industry forecasts and current year profits is hopeful of generating future taxable profits to utilize these losses, it has recognized deferred tax assets only to the extent of deferred tax liabilities considering the group does not meet Ind-AS 12 criteria for recognition of deferred tax assets and accordingly the group has not recognised deferred tax assets/MAT credit of Rs. 840.56 million, Rs. 757.83 million, Rs. 566.22 million, Rs. 533.78 million and Rs. 526.98 million as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 respectively on remaining unused tax losses. Further disclosure of taxes is disclosed in Note 18.

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32. Group information

The consolidated financial statements of the Group include subsidiaries listed in the table below:

a) Subsidiaries under Direct Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest				
				March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
1.	Begonia Hotels Private Limited	Hotel Business	India	74.11%	74.11%	100%	100%	100%
2.	Carnation Hotels Private Limited	Hotel Business	India	100%	74.90%	74.90%	100%	82%
3.	Fleur Hotels Private Limited	Hotel Business	India	57.98%	57.98%	57.53%	53.10%	53.10%
4.	Dandelion Hotels Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
5.	Lemon Tree Hotel Company Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
6.	PSK Resorts & Hotels Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
7.	Canary Hotels Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
8.	Grey Fox Project Management Company Private Limited	Hotel Business	India	74.90%	74.90%	80%	80%	80%
9.	Nightingale Hotels Private Limited	Hotel Business	India	57.53%	57.53%	57.53%	100%	95%
10.	Oriole Dr Fresh Hotels Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
11.	Red Fox Hotel Company Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
12.	Sukhsagar Complexes Private Limited	Hotel Business	India	100%	100%	100%	100%	100%
13.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited which holds remaining 90% shareholding)	Hotel Business	India	10%	10%	10%	10%	10%
14.	Citrus Hotels Private Limited	Hotel Business	India	-	-	-	100%	100%
15.	Hyacinth Hotels Private Limited	Hotel Business	India	-	-	-	100%	100%
16.	Meringue Hotels Private Limited	Hotel Business	India	-	-	-	80%	80%
17.	Pelican Facilities Management Private Limited	Hotel Business	India	100%	100%	100%	100%	100%

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b) Subsidiaries under Indirect Control

S. No.	Name of the Company	Principal activities	Country of Incorporation	% of equity interest				
				March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014 Proforma	March 31, 2013 Proforma
1.	Manakin Resorts Private Limited (Subsidiary of PSK Resorts & Hotels Private Limited)	Hotel Business	India	90%	90%	90%	100%	100%
2.	Celsia Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.98%	57.98%	57.53%	53.1%	100%
3.	Inovoa Hotels & Resorts Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.98%	57.98%	57.53%	53.1%	-
4.	IORA Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.98%	57.98%	57.53%	53.1%	-
5.	Hyacinth Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited))	Hotel Business	India	57.98%	57.98%	57.53%	-	-
6.	Ophrys Hotels Private Limited (Subsidiary of Fleur Hotels Private Limited)	Hotel Business	India	57.98%	57.98%	57.53%	53.1%	-
7.	Valerian Management Services Private Limited (Subsidiary of Grey Fox Project Management Company Private Limited)	Hotel Business	India	74.90%	74.90%	80%	80%	-
8.	Meringue Hotels Private Limited (Subsidiary of Dandelion Hotels Private Limited)	Hotel Business	India	80%	80%	80%	-	-
6.	Bandhav Resorts Private Limited (Subsidiary of Fleur Hotels Private Limited))	Hotel Business	India	57.98%	-	-	-	-

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33. Gratuity and other post-employment benefit plans

The Gratuity liability is as shown below:

Rs. In million

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Gratuity plan	17.15	14.39	11.59	8.28	6.86
Total	17.15	14.39	11.59	8.28	6.86

The Group has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to an amount based on the respective employee's last drawn salary and the number of years of employment with the company. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The Trust Fund has taken a Scheme of Insurance, whereby these contributions are transferred to the insurer. The Group makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

Risk analysis

Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

- Investment risk
The most of the Indian defined benefit plans are funded with Life Insurance Corporation of India. Group does not have any liberty to manage the fund provided to Life Insurance Corporation of India.
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for Group's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.
- Interest risk
A decrease in the interest rate on plan assets will increase the plan liability.
- Longevity risk/life expectancy
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. Increases in the life expectancy of the plan participants will increase the plan liability.
- Salary growth risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Each year, the Board of Trustees reviews the level of funding in the Gratuity plan. Such a review includes the asset – liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the result of this annual review.

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Changes in the defined benefit obligation over the period are as follows:

Rs. In million

	March 31, 2017	March 31, 2016	March 31, 2015Proforma	March 31, 2014Proforma	March 31, 2013Proforma
Opening defined benefit obligation	26.40	23.93	19.84	17.80	11.62
Defined benefit obligations acquired on acquisition of subsidiary	-	-	-	0.41	-
Current Service Cost	3.95	3.12	2.93	2.57	3.09
Interest Cost	1.97	1.86	1.73	1.44	0.32
Remeasurement (gains)/losses:					
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-	-	(0.08)	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.56	0.27	0.56	(0.56)	0.32
Actuarial (gains)/losses arising from experience adjustments	(1.57)	(0.72)	(0.48)	(0.63)	3.70
Benefit Paid	(1.15)	(2.06)	(0.65)	(1.11)	(1.25)
Closing defined benefit obligation	30.16	26.40	23.93	19.84	17.80

Changes in the fair value of plan assets over the period are as follows:

Rs. In million

	March 31, 2017	March 31, 2016	March 31, 2015Proforma	March 31, 2014Proforma	March 31, 2013Proforma
Opening fair value of plan assets	12.01	12.34	11.56	10.94	9.82
Interest Income	0.88	0.95	1.01	0.86	0.88
Return on plan assets (excluding amounts included in net interest expense)	0.03	0.03	0.04	0.10	0.05
Contributions from the employer	0.85	0.48	0.21	0.58	0.62
Benefits paid	(0.76)	(1.79)	(0.48)	(0.92)	(0.43)
Closing fair value of plan assets	13.01	12.01	12.34	11.56	10.94

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The major categories of plan assets of the fair value of the total plan assets are as follows:

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Unquoted investments:					
Asset invested in insurance scheme with the LIC	100%	100%	100%	100%	100%
Total	100%	100%	100%	100%	100%

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Discount rate:	%	%	%	%	%
Gratuity plan	6.50	7.30	7.80	8.22	8.62
Future salary increases:					
Gratuity plan	5.00	5.00	5.00	5.00	5.00
Life expectation for pensioners at the age of 65:	Years	Years	Years	Years	Years
Gratuity plan					
Male	60	60	60	60	60
Female	60	60	60	60	60

A quantitative sensitivity analysis for significant assumption as at March 31, 2017, 2016, 2015, 2014 and 2013 is as shown below:

India gratuity plan:

	March 31, 2017	March 31, 2017	March 31, 2017	Rs. In million March 31, 2017
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.69	0.73	0.72	0.71

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	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.64	0.66	0.69	0.66
	March 31, 2015Proforma	March 31, 2015 Proforma	March 31, 2015 Proforma	March 31, 2015 Proforma
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.61	0.65	0.66	0.63
	March 31, 2014 Proforma	March 31, 2014 Proforma	March 31, 2014 Proforma	March 31, 2014Proforma
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.50	0.54	0.55	0.52
	March 31, 2013Proforma	March 31, 2013 Proforma	March 31, 2013 Proforma	March 31, 2013 Proforma
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.48	0.51	0.52	0.49

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

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	<i>Rs. in million</i>				
Duration (Years)	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma	For the year ended March 31, 2013 Proforma
1	7.73	7.05	6.53	5.44	4.90
2	12.74	5.48	5.27	4.40	3.84
3	3.20	9.07	4.35	3.62	3.14
4	2.75	2.26	6.61	3.04	2.58
5	2.20	1.88	1.70	4.63	2.12
Above 5	6.77	6.03	5.66	4.68	6.25
Total expected payments	35.39	31.77	30.12	25.81	22.83

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2016: 5 years, March 31, 2015: 5 years, March 31, 2014: 5 years, March 31, 2013: 5 years).

34. Commitments and contingencies

a. Leases

Operating lease commitments — Group as lessee

The Group has taken office premises and hotel properties under operating lease agreements. Office premises leases are generally cancellable and are renewable by mutual consent on mutually agreed terms. Hotel properties leases are non-cancellable. The lease for hotel property at Indore, Aurangabad, Gurgaon, New Delhi and Chandigarh are non-cancellable for a period of twenty-nine, twenty-two, thirty and sixty years respectively.

The Group has recognised the following expenses as rent in the statement of Profit & Loss towards minimum lease payment.

	<i>Rs. in million</i>				
Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Lease Rent on Hotel Properties	211.76	170.14	151.83	98.88	90.63
Rent on Office Premises	3.68	2.52	2.08	1.67	8.94
Rent of staff hostel/Others	11.97	10.55	7.29	8.57	7.95
Total	227.41	183.21	161.20	109.12	107.52

Future minimum rentals payable under non-cancellable operating leases as at March 31 are, as follows:

Rs. in million

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Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Minimum Lease Payments :					
Not later than one year	301.64	165.54	157.48	92.49	91.38
Later than one year but not later than five years	1,296.40	712.14	688.88	380.10	374.26
Later than five years	10,657.42	6,329.88	6,516.60	3,274.81	3,371.46
Total	12,255.46	7,207.56	7,362.96	3,747.40	3,837.10

b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Estimated amount of contracts remaining to be executed and not provided for March 31, 2017 Rs.2,209.21 million (March 31,2016 Rs. 1,109.08million, March 31, 2015: Rs. 1,490.03million, March 31,2014Rs. 1,304.39 million, March 31,2013Rs. 838.43 million)

c. Contingent liabilities

Claims against the Group not acknowledged as debts

(i) Legal claim contingency

Rs. in million

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma	As at March 31, 2013 Proforma
Counter Guarantees given in respect of guarantees issued by Company's Bankers	180.03	175.97	164.50	535.18	338.23
Service Tax Demand	33.12	31.47	38.96	11.85	11.85
Luxury tax	4.20	3.60	3.60	-	-
Vat Demands	5.64	5.14	4.55	4.07	3.97
Income tax Case	9.16	0.72	0.72	34.30	34.30
Demand for entry tax	-	-	0.25	-	0.24
Matters pending with consumer court	2.28	2.28	2.28	2.28	-
Property Tax Case 2010-11	6.93	-	-	-	-

The Group's pending litigations above pertains to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its

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financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

- (d) During the previous years, the Company had received a show cause notice dated April 25, 2014 from Collector of Stamps, Delhi ('Department'), wherein the department was of the view that prima facie the Company has not paid stamp duty as per Indian Stamp Act, 1899 on right to use the land given by Delhi International Airport (P) Ltd. (DIAL) under the Development Agreement dated May 25, 2009 ('DA'). The Company contested the matter and the Department pursuant to the response received from all the developers of area where the Company's project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Company and its directors received show cause notice dated August 14, 2014 from the Department as to why criminal prosecution for non- payment of requisite stamp duty should not be initiated against them. The Company along with certain other developers had filed a writ petition before the Honorable High Court of Delhi (HC) and the HC vide its order dated August 25, 2014 has granted ex- parte interim stay from all proceedings under the Order including the said show cause notice dated August 14, 2014. The next date of hearing before the HC is scheduled for August 28, 2017. The Company, based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Company on this ground and further, any liability cannot be ascertained at this stage requiring any adjustment in these restated standalone financial information.
- (e) One of the Subsidiary Company has received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the Subsidiary Company to pay an amount of Rs. 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. The Subsidiary Company filed a writ petition in the high court against the said order. Pending adjudication, the High Court had given interim stay directing the Subsidiary Company to deposit Rs 25 lakhs. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallize.
- (f) Malviya National Institute of Technology, Jaipur ("MNIT") filed an application before the Sub-divisional Officer ("SDO"), Jaipur against, among others, Sukhsagar Complexes Private Limited (one of the subsidiary), alleging that a portion of the land on which Red Fox Hotel, Jaipur has been constructed is owned by MNIT. Pursuant to an order dated December 31, 1999, the SDO, Jaipur, recorded certain land bearing khasra number 102/433 in the name of Gulab Chand and certain others, while removing the name of Malviya Regional Engineering College, the predecessor entity to MNIT. Against the order of the SDO, MNIT filed an appeal (appeal no. 327/2013) before the Divisional Commissioner, Jaipur ("Commissioner"), against Gulab Chand, Girdharilal Maninar and Gopal Das Johar, being the previous owners of the property sold to Sukhsagar, and also, among others, Sukhsagar, stating that Sukhsagar and Devashish Builders Private Limited had encroached on the land belonging to MNIT. The appeal was dismissed by the Commissioner pursuant to an order dated January 8, 2013 and the order passed by the SDO, dated December 31, 1999, was confirmed. Subsequently, Sukhsagar filed a review petition before the Commissioner challenging the order dated January 8, 2013 on grounds of certain procedural irregularities. The Commissioner, through an order dated September 4, 2013, recalled its previous order dated January 8, 2013. The Commissioner eventually dismissed the appeal filed by MNIT through an order dated September 11, 2013. MNIT filed a writ petition before the High Court of Rajasthan challenging the order of the Commissioner, dated September 11, 2013. The management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.

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- (g) Meringue Hotels Private Limited (one of the subsidiary company), in 2006, had purchased a plot of land along with a factory unit on it, from Mistry Prabhudas Manji Engineering Private Limited. It had been represented to the subsidiary that the factory unit on the land had been shut since December 1998 due to illegal strikes by the workmen. The recovery officer of Employee State Insurance Corporation, Mumbai, issued a notice dated October 12, 2015 to the subsidiary informing it that Rs 2.16 million is due and payable towards arrears of contribution/ interest/ damages under the Employee State Insurance, Act, 1948 ("ESIC Act") for the period from April 1, 1992 up to March 31, 1998 and that Meringue has been declared as deemed defaulter under the ESIC Act. The notice also asked Meringue to show cause as to why a warrant of arrest should not be issued against it. Meringue filed an application (No. 25 of 2015) dated December 21, 2015 before the Employee's State Insurance Court, Mumbai ("ESIC Court") against the show cause notice issued by the recovery officer on the grounds that the show cause notice is not valid as it is inconsistent with the earlier order of the Court dated October 21, 2011 which required the ESIC to re-calculate the amount payable by Mistry Prabhudas Manji Engineering Private Limited after adjusting the sum already paid. The subsidiary requested the ESIC Court to grant an interim stay on enforcement of the aforementioned notice. Further, the subsidiary filed an application (No. 14 of 2016) before the ESIC Court for declaration that the notice dated October 12, 2015 is null and void as it was issued in violation of the order dated October 21, 2011 of the ESIC Court. The ESIC has filed its reply to the application on September 14, 2016. The management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.
- (h) Oriole Dr. Fresh Hotels Private Limited (a subsidiary company) filed an arbitration petition (arbitration petition No. 160/2012), against the Delhi Developmental Authority (the "DDA") seeking quashing of invocation of a bank guarantee amounting to Rs 10.28 million by DDA, recovery of Rs 2.50 million as compensation alleging harassment and mental agony, recovery of Rs 1 million towards cost of proceedings, and interest at the rate of 18% on blocked amount from December 28, 2010 till the date of return of pay order. This dispute pertains to an agreement for construction of a hotel by the subsidiary in Kondli, Delhi, entered into with DDA, as a successful bidder in an auction process conducted for this purpose. As per such agreement the subsidiary was required to provide a bank guarantee of Rs 10.28 million as performance security. The DDA allegedly sought to encash the bank guarantee on December 21, 2011 on grounds of non-performance of contractual obligations by the subsidiary. Consequently, on March 12, 2012 Oriole sent a notice of commencement of arbitration to DDA and on May 31, 2012, the subsidiary obtained an injunction (OMP No. 1/2012) from the High Court of Delhi restraining DDA and Axis Bank Limited from proceeding with the encashment of the bank guarantee until the completion of the arbitration proceedings. An arbitral tribunal was constituted on September 28, 2012 and Oriole filed its statement of claims on November 8, 2012. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand is improbable to crystallize.
- (i) The Commissioner, Labour Department, Jaipur issued a notice dated April 21, 2017 to Sukhsagar Complexes Private Limited (a subsidiary company) under the Building and other Construction Workers' (Regulations of employment and conditions of service) Act, 1996 read with Building and other Construction Worker's Rules 2009 and Building and Other Construction Workers' Welfare Cess Act, 1996 read with the Building and Other Construction Workers' Welfare Cess Rules, 1998 in relation to non-registration and non-payment of cess for construction work. Pursuant to the aforesaid notice, our Company filed its response with the commissioner on July 28, 2017. The management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.

Lemon Tree Hotels Limited**Annexure V Notes to restated consolidated financial information****35. Employee Stock Option Plans:****a) Stock options granted on and after April 1, 2005.**

The Group has provided various share-based payment schemes to its employees. During the year ended March 31, 2017 the following schemes were in operation:

	Plan 1 (2005)	Plan 2 (2006)
Date of grant	November 15, 2005 and April 1, 2006	September 1, 2006, April 1, 2007, October 1, 2007, April 1, 2008, January 12, 2009, April 1, 2009, April 1, 2010, October 1, 2010, April 1, 2011, April 1, 2012, April 1, 2015
Date of Board Approval of plan	September 23' 2005	July 18' 2006
Date of Shareholder's approval of plan	November 15' 2005	August 25, 2006
Number of options granted	387,300	12,762,207
Method of Settlement	Equity	Equity
Vesting Period	12-48 months	12-48 months
Exercise Period	5 years from the date of vesting	5 years from the date of vesting
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period.	Employee remaining in the employment of the enterprise during the vesting period.

Details of vesting:

Vesting period from the grant date	Vesting Schedule	
	Plan 1 (2005)	Plan 2 (2006) *
On completion of 12 months	30%	10%
On completion of 24 months	20%	20%
On completion of 36 months	20%	30%
On completion of 48 months	30%	40%

* All ESOP's under ESOP Plan 2006 are granted as per general vesting schedule defined in the scheme except for ESOP's granted on 12th January 2009 and 328,008 ESOP's granted on April 1, 2012 for which specific vesting schedule was decided.

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The details of activity under Plan 1 (2005) have been summarized below:

	2016-17		2015-16		2014-15 Proforma		2013-14 Proforma		2012-13 Proforma	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	9,000	3.38	9,000	3.38	1,500	20.25	1,500	20.25	1,500	20.25
Granted during the year	-	-	-	-	-	-	-	-	-	-
Bonus issued during the year	-	-	-	-	7,500	-	-	-	-	-
Forfeited during the year	9,000	3.38	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	-	-	9,000	3.38	9,000*	3.38*	1,500	20.25	1,500	20.25
Exercisable at the end of the year	-	-	-	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	1.00	-	1.00	-	1.00	-	1.00	-
Weighted average fair value of options granted during the year	-	-	-	-	-	-	-	-	-	-

The details of activity under Plan 2 (2006) have been summarized below:

	2016-17	2015-16	2014-15 Proforma	2013-14 Proforma	2012-13 Proforma

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	Number of Options	Weighted Average Exercise Price(Rs.)	Number of Options	Weighted Average Exercise Price(Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)	Number of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	11,069,974	19.26	3,456,282	14.65	710,494	90.73	2,338,276	81.97	1,720,723	63.81
Granted during the year	-	-	8,205,000	21.50	-	-	-	-	966,775	83.24
Bonus issued during the year	-	-	-	-	3,495,047*	-	-	-	-	-
Forfeited during the year	383,394	20.84	171,769	18.10	691,836	18.03	314,874	114.26	126,519	98.35
Exercised during the year	2,871,902	15.74	419,539	12.94	57,423	20.56	1,312,908	68.91	222,703	60.03
Expired during the year	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	7,814,678	20.53	11,069,974	19.26	3,456,282	14.65	710,494	90.73	2,338,276	81.97
Exercisable at the end of the year	2,341,593	20.32	3,685,476	16.19	2,071,607	14.32	195,307	74.25	1,198,110	65.17

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Weighted average remaining contractual life (in years)	2.60	-	3.46	-	3.42	-	4.53	-	5.91	-
Weighted average fair value of options granted during the year	-	-	-	-	-	-	-	-	966,775	23.20

*During the previous year, the Group has issued equity shares twice as bonus issue in the proportion of 2 equity shares for every 1 fully paid up equity share and 1 equity share for every 1 fully paid up equity share respectively. As per the aforesaid plan, the number of options not yet vested as on the balance sheet date has been accordingly increased and weighted average exercise price has been accordingly decreased.

The details of exercise price for stock options outstanding at the end of the year are:

	Range of exercise prices (Rs.)		Number of options outstanding		Weighted average remaining contractual life of options (in years)		Weighted average exercise price (Rs.)	
	Plan 1	Plan 2	Plan 1	Plan 2	Plan 1	Plan 2	Plan 1	Plan 2
As at March 31, 2017	-	10.00-21.50	-	7,814,678	-	2.6	-	15.74
As at March 31, 2016	3.38	10.00-16.50	9,000	11,069,974	1	3.46	3.38	12.94
As at March 31, 2015 Proforma	3.38	2.93-20.56	9,000	3,456,282	1	3.42	3.38	20.56
As at March 31, 2014, Proforma	20.25	17.60-117	1,500	710,494	1	4.53	20.25	68.91
As at March 31, 2013, Proforma	20.25	17.60-117	1,500	2,338,276	1	5.91	20.25	60.03

Stock Options granted

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The weighted average fair value of stock options granted during the year was Nil, Rs. 4.78, Nil, Nil and Rs. 23.20 for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively. The Black Scholes model has been used for computing the weighted average fair value considering the following inputs:

	Plan 1 (2005)					Plan 2 (2006)				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
Weighted average share price	-	-	-	-	-	-	16.50	-	-	60.49
Exercise Price	-	-	-	-	-	-	21.50	-	-	32.50- 126
Volatility	-	-	-	-	-	-	10%	-	-	10%
Life of the options granted in years	-	-	-	-	-	-	8	-	-	8
Expected dividends	-	-	-	-	-	-	-	-	-	-
Average risk-free interest rate	-	-	-	-	-	-	7.99%	-	-	8.61%
Expected dividend rate	-	-	-	-	-	-	-	-	-	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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36. Related Party Transactions

In compliance with Ind AS 24 - “Related Party Disclosures”, as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

Related party	Nature of relationship				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
- Mr. PatanjaliGovindKeswani (Chairman and Managing Director)	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel
Mrs. SharanitaKeswani Director (uptoFebruary 19, 2015)	-	-	Key Management Personnel	Key Management Personnel	Key Management Personnel
Mrs. Sharanita Keswani wife of Mr. PatanjaliGovindKeswani	-	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel
Mrs. Sharanita Keswani (relative of Mr. Aditya Madhav Keswani)	Relatives of key management personnel	-	-	-	-
- Rahul Pandit -President & Executive Director(w.e.f. April1, 2013, upto May 8, 2015)	-	-	Key Management Personnel	Key Management Personnel	Key Management Personnel
- Rattan Keswani (Deputy Managing Director) w.e.f. January 1, 2014	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel	Key Management Personnel and their relatives (in Subsidiaries)
Rattan Keswani (Whole Time Director of Carnation Hotels Private Limited) (From July 1,2015) (Director of Carnation hotels) (upto June 30, 2015)	Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)
Bhushan Arora (Director of Oriole Dr. Fresh Hotels Private Limited) (up to August 19, 2014)	-	-	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)
Manish V. Parekh (Director of Meringue hotels)	-	-	-	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)
Hiten V. Parekh (Relative of Director of Meringue hotels)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)
Nayan S Parekh (Director of Meringue hotels)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)
J. K. Chawla (Individual having significant influence in Grey Fox Project Management Company Private Limited)	Key Management Personnel/Individuals having significant	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)

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Related party	Nature of relationship				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	influence and their relatives (in Subsidiaries)				
Mr. Naresh Chander Malhotra (Director of Grey Fox Project Management Company Private Limited upto March 26, 2014)	-	-	-	Key Management Personnel and their relatives (in Subsidiaries)	-
Mrs. Lillete Dubey sister of Mr. Patanjali Govind Keswani.	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel	Relatives of key management personnel
Mr. Alok Ranjan (Director of Valerian Management Services Private Limited) (w.e.f. September 12, 2013)	Key Management Personnel their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	-
Mr. Rajesh Kumar (Whole Time Director of Canary Hotels Private Limited)(From June 1, 2015)	Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	-	-	-
Mr. Sumant Jaidka (Whole Time Director of Inova Hotels & Resorts Limited) (From June 1, 2015)	Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	-	-	-
Mr. Rajeev Janveja (Whole Time Director of Nightingale Hotels Private Limited)(From November 5, 2015)	Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	-	-	-
Mr. Tarun Lakhanpal (Whole Time Director of Oriole Dr. Fresh Hotels Private Limited) (Upto July 17, 2015)	-	Key Management Personnel and their relatives (in Subsidiaries)	-	-	-
Ms. Natasha Yashpal (Whole Time Director of Oriole Dr. Fresh Hotels Private Limited)(From January 1, 2016)	Key Management Personnel/Individuals having significant influence and their relatives (in Subsidiaries)	Key Management Personnel and their relatives (in Subsidiaries)	-	-	-
Sparrow Buildwell Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Gamet Hotels Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives

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Related party	Nature of relationship				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Pony Tale Hotels Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Spank Management Services Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Toucan Real Estates Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
HeadStart Institute Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Nightingale Hotels Private Limited (upto March 31, 2012)	-	-	-	-	Enterprises owned or significantly influenced by key management personnel or their relatives
Dr Fresh Assets Private Limited (up to August 19, 2014)	-	-	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by key management personnel or their relatives
Pelican Facilities Private Ltd (upto March 31, 2012)	-	-	-	-	Enterprises owned or significantly influenced by key management personnel or their relatives
CCPL Developers Pvt. Ltd(upto May 18, 2012)	-	-	-	-	Joint Venture Partner
Mr. Kapil Sharma	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer	-	-
Mrs. Suman Singh (upto 30 June 2016)	Company Secretary	Company Secretary	Company Secretary	-	-
Mr. Nikhil Sethi (Wef 12 December 2016)	Company Secretary	-	-	-	-

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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

(Rs. in million)

	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2014 (Proforma)	March 31, 2013 (Proforma)
Spank Management Services Private Limited					
- Services obtained	128.52	38.45	84.34	42.69	14.05
- Loans (taken)	-	-	-	117.00	-
- Loan (Repaid)	-	-	-	117.00	-
- Interest paid (Net)	-	-	-	1.15	-
- Purchase of equity shares of subsidiary	-	-	-	0.20	-
- Reimbursement of Expenses done on behalf of party	0.02	-	-	-	2.00
- Balances outstanding at the year end - Other current assets	-	-	-	0.87	2.88
Toucan Real Estates Private Limited					
- Capital Advances	362.45	188.26	276.06	281.54	193.22
- Loans (given)	-	-	-	-	9.68
- Repayment of Loan Given	-	-	-	-	9.00
- Balances outstanding at the year end - Trade Payable/Other Current Liabilities	-	9.67	3.49	4.51	-
- Balances outstanding at the year end - Trade Receivable	-	-	-	-	0.69
HeadStart Institute Private Limited					
- Training Fee Paid	-	-	2.99	22.25	22.99
- Balances outstanding at the year end - Sundry Creditors	-	-	-	1.65	1.76
Sparrow Buildwell Private Limited					
- Loan (Repaid)	-	-	-	-	0.46
Garnet Hotels Private Limited					
- Loans (given)	-	-	-	-	0.25
- Repayment of Loan Given	-	-	-	0.25	-
Pelican Facilities Private Limited					
- Reimbursement of expenses incurred on company's behalf	-	-	-	-	0.32
Pony Tale Hotels Private Limited					
- Repayment of Loan Given	-	-	-	0.10	-
Nightingale Hotels Private Limited					
- Balances outstanding at the year end- Borrowings	-	-	-	-	428.52

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	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2014 (Proforma)	March 31, 2013 (Proforma)
CCPL Developers Pvt. Ltd					
- Balances outstanding at the year end–Sundry Creditors	-	-	-	-	0.86
Mr. Bhushan Arora					
- Loan (Repaid)	-	-	23.65	-	-
- Loans (taken)	-	-	-	-	1.25
- Balances outstanding at the year end– Borrowings	-	-	-	23.65	23.65
Dr Fresh Assets Private Limited					
- Loan (Repaid)	-	-	22.47	-	-
- Loans (taken)	-	-	-	-	1.00
- Balances outstanding at the year end– Borrowings	-	-	-	22.47	22.47
Mr. Hiten V Parekh					
- Loan (Repaid)	-	-	75.90	-	-
- Loans (taken)	-	-	-	6.00	15.30
- Balances outstanding at the year end– Borrowings	75.90	75.90	75.90	57.90	51.90
Manish V Parekh					
- Loans (taken)	-	-	-	6.00	15.30
- Balances outstanding at the year end– Borrowings	-	-	-	57.90	51.90
Mr. Nayan S Parekh					
- Loans (taken)	-	-	-	8.00	15.30
- Balances outstanding at the year end - Borrowings	101.20	101.20	101.20	77.20	69.20
Mr. JK Chawla					
- Repayment of Loan Given	1.20	1.20	1.20	1.20	-
- Remuneration paid	11.21	11.14	11.06	6.03	5.32
- Interest Received (gross)	0.08	0.10	0.13	-	-
- Reimbursement of expenses incurred on company's behalf	-	-	-	0.00	-
- Balances outstanding at the year end - Other current assets	4.00	5.20	6.44	7.57	-
- Balances outstanding at the year end - Trade Payable/Other Current Liabilities	0.32	0.14	-	-	-
Mr. Rajesh Kumar					
- Interest Received (gross)	0.02	0.01	-	-	-

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	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2014 (Proforma)	March 31, 2013 (Proforma)
Mr. AlokRanjan					
- Remuneration paid	3.86	9.58	8.86	4.49	-
Mr. Kapil Sharma					
- Remuneration paid	6.53	6.02	5.22	-	-
Mr. Patanjali G Keswani					
- Remuneration paid	33.20	34.83	31.34	29.45	16.54
- Fees for professional services	-	-	-	23.09	24.94
Mr. Rahul Pandit					
- Remuneration paid	-	1.41	7.22	7.23	0.09
- Interest Received (gross)	-	-	-	-	0.00
- Balances outstanding at the year end - Other current assets	-	-	-	-	1.20
Mr. Rajesh Kumar					
- Loans (given)	-	1.85	-	-	-
- Remuneration paid	3.58	2.27	-	-	-
- Repayment of Loan Given	0.83	-	-	-	-
- Balances outstanding at the year end - Other current assets	1.03	1.85	-	-	-
Mr. Rattan Keswani					
- Remuneration paid	21.38	21.62	23.34	17.16	13.33
- Reimbursement of expenses incurred on company's behalf	-	-	-	0.12	0.25
- Balances outstanding at the year end - Trade Payable/Other Current Liabilities	0.33	1.34	0.27	0.17	0.31
Mr. SumantJaidka					
- Remuneration paid	4.55	3.16	-	-	-
- Balances outstanding at the year end - Trade Payable/Other Current Liabilities	0.35	0.15	-	-	-
NareshChander Malhotra					
- Fees for professional services	-	-	-	0.68	-
- Reimbursement of expenses incurred on company's behalf	-	-	-	0.11	-
Mr.RajeevJanveja					
- Remuneration paid	3.71	1.46	-	-	-

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	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2014 (Proforma)	March 31, 2013 (Proforma)
Mrs. Sharanita Keswani					
- Fees for professional services	4.20	4.36	3.64	3.64	1.76
- Balances outstanding at the year end - Trade Payable/Other Current Liabilities	0.37	-	-	0.30	-
Ms. Lillette Dubey					
- Rent paid	-	-	-	0.68	0.67
Others (parties with whom transactions are less than 10% of the total amount)					
- Remuneration paid	4.82	2.64	1.23	-	-
- Loans (given)	-	-	-	-	0.25
- Balances outstanding at the year end - Trade Payable/Other Current Liabilities	0.20	0.51	0.19	-	0.36
- Balances outstanding at the year end - Other current assets	-	-	-	-	0.12

Terms and conditions of transactions with related parties

Outstanding balances with related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Rs Nil, March 31, 2015: Rs Nil, March 31, 2014: Rs Nil, March 31, 2013: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Commitments with related parties

The Group has not entered into any commitments with related parties during the year.

37. Fair value measurement
a. Financial Assets (other than equity investment/ deemed investment in subsidiaries carried at cost)
Rs. in million

	March 31, 2017		March 31, 2016		March 31, 2015 Proforma		March 31, 2014 Proforma		March 31, 2013 Proforma	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Assets										
Trade Receivables	-	314.45	-	244.83	-	179.05	-	159.63	-	148.42
Investments	63.42	-	57.69	-	312.39	-	383.82	-	1,860.03	-
Security Deposits	-	293.38	-	255.86	-	181.31	-	91.77	-	81.03
Other bank balances	-	78.89	-	77.20	-	74.23	-	103.80	-	45.33
Cash and Cash Equivalents	-	175.92	-	138.07	-	300.37	-	723.89	-	135.75
Interest accrued on deposit with banks	-	27.66	-	21.62	-	15.31	-	12.08	-	7.15

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

Loans	-	113.25	-	89.55	-	100.19	-	112.59	-	63.03
Other amount recoverable	-	0.04	-	0.29	-	1.72	-	0.25	-	0.39
Total Financial Assets	63.42	1,003.59	57.69	827.42	312.39	852.18	383.82	1,204.01	1,860.03	481.10

b. Financial liabilities
Rs. in million

	March 31, 2017		March 31, 2016		March 31, 2015 Proforma		March 31, 2014 Proforma		March 31, 2013 Proforma	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Liabilities										
Borrowings	-	7,581.62		5,932.22	-	5,535.31	-	5,398.02	-	4,138.93
Trade Payables	-	604.27		511.34	-	334.00	-	459.02	-	114.34
Other Financial Liabilities	-	1,063.23		867.72	-	578.89	-	420.81	-	896.92
Total Financial Liabilities	-	9,249.12	-	7,311.28	-	6,448.20	-	6,277.85	-	5,150.30

c. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Financial assets and liabilities measured at fair value

Rs. in million

	March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments			0.03	0.03
Investment in quoted mutual funds	63.39			63.39
Total	63.39	-	0.03	63.42

	March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.03	0.03
Investment in quoted mutual funds	57.66	-	-	57.66
Total	57.66	-	0.03	57.69

	March31, 2015 Proforma			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.03	0.03
Investment in quoted mutual funds	312.36	-	-	312.36
Total	312.36	-	0.03	312.39

	March 31, 2014 Proforma			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.01	0.01
Investment in quoted mutual funds	383.73	-	-	383.73
Total	383.73	-	0.01	383.74

	March 31, 2013Proforma			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.01	0.01
Investment in quoted mutual funds	1,860.02	-	-	1860.02
Total	1,860.02	-	0.01	1860.03

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

The following methods and assumptions were used to estimate the fair values:

► The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

► The fair values of the quoted mutual funds have been valued at the quoted price.

38. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. This financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of: interest rate risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group is carrying its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

Rs. In million

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Variable rate borrowings	7,288.70	5,533.11	5,011.27	4,735.38	4,088.62
Fixed rate borrowings	697.98	714.83	699.21	853.27	472.19

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax	Effect on Equity
		<i>Rs. In million</i>	<i>Rs. In million</i>
31-Mar-17			
INR	50	32.48	29.02
INR	-50	(32.48)	(29.02)
31-Mar-16			
INR	50	28.56	28.14
INR	-50	(28.56)	(28.14)
31-Mar-15			
INR	50	26.77	30.84
INR	-50	(26.77)	(30.84)
31-Mar-14			
INR	50	16.49	14.13
INR	-50	(16.49)	(14.13)
31-Mar-13			
INR	50	15.60	15.60
INR	-50	(15.60)	(15.60)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has no exposure in foreign currency.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Group does not hold collateral as security.

Rs. in million

Ageing	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Not due	4.42	4.72	3.09	4.94	3.73
0-60 days past due	210.39	132.51	107.46	109.56	106.55
61-120 days past due	39.73	51.81	32.40	30.86	24.16
121-180 days past due	17.02	25.64	18.59	8.62	7.36
180-365 days past due	27.83	17.31	13.68	5.65	4.86
365-730 days past due	11.22	8.20	2.75	-	0.61
more than 730 days	3.84	4.64	1.08	-	1.15
Total	314.45	244.83	179.05	159.63	148.42

Provision for doubtful debts(including provision for expected credit loss)

Rs. In million

Ageing	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Not due	-	-	-	-	-
0-60 days past due	-	-	-	-	-
61-120 days past due	-	-	-	-	-
121-180 days past due	-	-	-	-	-
180-365 days past due	1.56	0.73	0.74	-	-
More than 365 days	2.11	2.38	2.62	2.59	0.78

Reconciliation of provision for doubtful debts - Trade receivables(including provision for expected credit loss)

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Provision at beginning	3.11	3.36	2.59	0.78	0.68
Addition during the year	1.17	1.44	0.51	1.81	0.10
Reversal during the year	0.20	-	-	-	-
Utilised during the year	0.41	1.69	-	-	-
Provision at closing	3.67	3.11	3.10	2.59	0.78

Reconciliation of provision for doubtful debts - Loans and deposits

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	March 31, 2013 Proforma
Provision at beginning	-	-	-	-	-

Addition during the year	-	-	-	-	-
Reversal during the year	-	-	-	-	-
Utilised during the year	-	-	-	-	-
Provision at closing	-	-	-	-	-

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017, 31 March 2016, 31 March 2015, 31 March 2014 and 31 March 2013 is the carrying amount.

Liquidity risk

The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Group does not have access to the following undrawn borrowing facilities at the end of the reporting periods.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	<i>Rs. in million</i>					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended						
March 31, 2017						
Borrowings (other than convertible preference shares)	674.60	42.04	353.84	3,312.31	3,603.89	7,986.68
Trade and other payables	604.27	-	-	-	-	604.27
Other Financial Liabilities (Other than current maturity)	658.17	-	-	-	-	658.17
	1,937.04	42.04	353.84	3,312.31	3,603.89	9,249.12
Year ended						
March 31, 2016						
Borrowings (other than convertible preference shares)	694.92	40.39	287.62	2,483.87	2,741.14	6,247.94
Trade and other payables	511.34	-	-	-	-	511.34

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	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Other Financial Liabilities(Other than current maturity)	552.00	-	-	-	-	552.00
	1,758.26	40.39	287.62	2,483.87	2,741.14	7,311.28
Year ended March 31, 2015 Proforma						
Borrowings (other than convertible preference shares)	669.37	19.25	155.87	1,909.75	2,956.24	5,710.48
Trade and other payables	332.12	-	-	-	-	332.12
Other Financial Liabilities(Other than current maturity)	402.61	-	-	-	-	402.61
	1,404.10	19.25	155.87	1,909.75	2,956.24	6,445.21
Year ended March 31, 2014 Proforma						
Borrowings (other than convertible preference shares)	813.01	34.65	143.16	1,549.42	3,048.41	5,588.65
Trade and other payables	458.89	-	-	-	-	458.89
Other Financial Liabilities(Other than current maturity)	180.67	-	-	-	-	180.67
	1,452.57	34.65	143.16	1,549.42	3,048.41	6,228.21
Year ended March 31, 2013 Proforma						
Borrowings (other than convertible preference shares)	433.09	85.76	347.09	2,613.91	1,080.95	4,560.80
Trade and other payables	114.34	-	-	-	-	114.34
Other Financial Liabilities(Other than current maturity)	434.94	-	-	-	-	434.94
	982.37	85.76	347.09	2,613.91	1,080.95	5,110.08

39. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure,

the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	March 31, 2017	March 31, 2016	March 31, 2015 Proforma	March 31, 2014 Proforma	<i>Rs. In million</i> March 31, 2013 Proforma
Borrowings (Note 16)	7,581.62	5,932.21	5,535.31	5,398.02	4,138.93
Trade payables (Note 20)	604.27	511.34	332.12	458.89	114.34
Less: cash and cash equivalents (Note 11)	175.92	138.07	300.37	723.89	135.75
Net debt	8,009.97	6,305.48	5,567.06	5,133.02	4,117.52
Total capital	12,298.76	12,360.38	12,350.27	10,947.83	10,574.64
Capital and net debt	20,308.73	18,665.86	17,917.33	16,080.85	14,692.16
Gearing ratio	39%	34%	31%	32%	28%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

40. First-time adoption of Ind AS

The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended March 31, 2017 and March 31, 2016 and Restated Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial statements for the years ended March 31, 2015, 2014 and 2013 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31,

2016 (“SEBI Circular”) and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2015, 2014, and 2013 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2015).

Exemptions applied

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP as ‘deemed cost’ at April 1, 2015 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets and investment property.
- For leases of both land and building elements, the Group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).
- The Group has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 ‘share based payments’ that vested before 1 April 2015. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Company has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share based payments as per Ind AS 102 ‘share based payments’ that vested before 1 April 2012.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the existing exemption on the date of transition (i.e. April 1, 2015) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.
- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS Consolidated financial information for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS Consolidated financial information has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 15 of Annexure VI.

A: Reconciliations between previous GAAP and restated Ind AS

Ind AS 101 required an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2013 (Proforma)
Rs. in million

	Footnotes	Previous GAAP	Adjustments	Restatements	Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment	I	8,157.06	-	(33.00)	8,124.06
(b) Capital work-in-progress		3,069.12	-	-	3,069.12
(c) Intangible assets		16.79	-	-	16.79
(d) Financial assets					-
(i) Investments	II	0.06	0.02	-	0.08
(ii) Loans	II	5.98	48.67	-	54.65
(iii) Other financial assets	II	997.53	(866.19)	-	131.34
(e) Other non-current assets	II	1,402.93	708.98	5.25	2,117.16
		13,649.47	(108.52)	(27.75)	13,513.20
Current assets					
(a) Inventories		42.97	-	-	42.97
(b) Financial assets					
(i) Trade receivables	II	148.42	-	-	148.42
(ii) Cash and Cash equivalents	V	135.73	0.02	-	135.75
(iii) Investments	II	1,810.83	49.20	-	1,860.03
(iv) Other financial assets	II	8.70	(6.14)	-	2.56
(iv) Loans	II	10.00	(1.63)	-	8.37
(c) Other current assets	II	120.89	(14.37)	-	106.52
		2,277.54	27.08	-	2,304.62
Total Assets		15,927.01	(81.44)	(27.75)	15,817.82
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	V	1,267.84	(0.07)	-	1,267.77
(b) Other Equity	II, III, IV	7,269.87	(133.70)	(24.95)	7,111.22
(c) Share Application money Pending allotment	II, III, IV	39.48	(39.48)	-	-
(d) Non-controlling interests	II, III, IV	2,099.78	(5.83)	-	2,093.95
Total Equity		10,676.97	(179.08)	(24.95)	10,472.94
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	3,735.71	(29.87)	-	3,705.84
(ii) Other financial liabilities	IX	40.14	(0.04)	-	40.10
(b) Long term provisions		5.40	-	-	5.40
(c) Deferred tax liabilities (net)	V	0.35	48.88	-	49.23
(d) Other non-current liabilities	IV	-	34.84	-	34.84
		3,781.60	53.81	-	3,835.41
Current liabilities					

Lemon Tree Hotels Limited**Annexure V Notes to restated consolidated financial information**

(a) Financial liabilities					
(i) Borrowings		433.09	-	-	433.09
(ii) Trade payables	IX	117.14	-	(2.80)	114.34
(iii) Other financial liabilities	IX	852.47	4.36	-	856.83
(b) Other current liabilities	V	55.35	40.88	-	96.23
(c) Provisions	IX	10.29	(1.41)	-	8.88
(d) Current tax liabilities (net)		0.10	-	-	0.10
		1,468.44	43.83	(2.80)	1,509.47
Total Liabilities		5,250.04	97.64	(2.80)	5,344.88
Total Equity and Liabilities		15,927.01	(81.44)	(27.75)	15,817.82

A: Reconciliations between previous GAAP and restated Ind AS

Ind AS 101 required an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2014 (Proforma)
Rs. in million

	Footnotes	Previous GAAP	Adjustments	Restatements	Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment	I	11,534.34	(26.33)	-	11,508.01
(b) Capital work-in-progress		1,349.40	-	-	1,349.40
(c) Investment Property	I	-	26.33	-	26.33
(d) Intangible assets	I	113.13	-	(3.93)	109.20
(e) Financial assets					
(i) Investments	II	0.06	0.03	-	0.09
(ii) Loans	II	5.95	100.36	-	106.31
(iii) Other financial assets	II	1,138.64	(933.29)	-	205.35
(f) Other non-current assets	II	1,996.06	601.47	-8.84	2,588.69
		16,137.58	(231.43)	-12.77	15,893.38
Current assets					
(a) Inventories		46.70	-	-	46.70
(b) Financial assets					
(i) Trade receivables	II	159.63	-	-	159.63
(ii) Cash and Cash equivalents	V	723.05	0.84	-	723.89
(iii) Investments	II	376.72	7.01	-	383.73
(iv) Other financial assets	II	-	2.56	-	2.56
(iv) Loans	II	-	6.28	-	6.28
(c) Other current assets	II	121.01	(17.99)	-0.23	102.79
		1,427.11	(1.30)	-0.23	1,425.58
Total Assets		17,564.69	(232.73)	-13.00	17,318.96
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	V	1,286.27	(0.10)	-	1,286.17
(b) Other Equity	II, III, IV	6,897.18	(203.49)	12.56	6,706.25
(c) Non-controlling interests	II, III, IV	2,903.13	(7.65)	-	2,895.48
Total Equity		11,086.58	(211.24)	12.56	10,887.90
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	4,630.88	(45.87)	-	4,585.01
(ii) Other financial liabilities		49.52	-	-	49.52
(b) Long term provisions		7.16	-	-	7.16
(c) Deferred tax liabilities (net)	V	45.13	(26.66)	(15.91)	2.56
(d) Other non-current liabilities	IV	-	51.04	-	51.04
		4,732.69	(21.49)	(15.91)	4,695.29

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

Current liabilities					
(a) Financial liabilities					
(i) Borrowings		813.01	-	-	813.01
(ii) Trade payables	IX	468.54	-	(9.65)	458.89
(iii) Other financial liabilities	IX	371.30	-	-	371.30
(b) Other current liabilities	V	80.99	1.67	-	82.66
(c) Provisions		11.45	(1.67)	-	9.78
(d) Current tax liabilities (net)		0.13	-	-	0.13
		1,745.42	-	(9.65)	1,735.77
Total Liabilities		6,478.11	(21.49)	(25.56)	6,431.06
					-
Total Equity and Liabilities		17,564.69	(232.73)	(13.00)	17,318.96

A: Reconciliations between previous GAAP and restated Ind AS

Ind AS 101 required an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2015 (Proforma)
Rs. in million

	Footnotes	Previous GAAP	Adjustments	Restatements	Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment	I	12,346.17	(25.89)	-	12,320.28
(b) Capital work-in-progress	I	1,657.26	13.94	-	1,671.20
(c) Investment Property	I	-	25.89	-	25.89
(d) Intangible assets	I	16.31	-	-	16.31
(e) Financial assets					
(i) Investments	II	0.08	0.03	-	0.11
(ii) Loans	II	121.86	(29.40)	-	92.46
(iii) Other financial assets	II	1,982.60	(1,714.51)	-	268.09
(f) Deferred tax assets (net)	V	-	3.86	-	3.86
(g) Other non-current assets	II	1,994.53	1,620.74	0.38	3,615.65
		18,118.81	(105.34)	0.38	18,013.85
Current assets					
(a) Inventories		48.08	-	-	48.08
(b) Financial assets					
(i) Trade receivables	II	178.26	0.79	-	179.05
(ii) Cash and Cash equivalents	V	300.36	0.01	-	300.37
(iii) Investments	II	298.30	14.06	-	312.36
(iv) Other financial assets	II	17.14	(14.01)	-	3.13
(iv) Loans	II	6.40	1.57	-	7.97
(c) Other current assets	II	108.99	(12.04)	(0.23)	96.72
		957.53	(9.62)	(0.23)	947.68
Total Assets		19,076.34	(114.96)	0.15	18,961.53
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	V	7,764.87	(0.61)	-	7,764.26
(b) Other Equity	II,III,IV	453.73	(179.43)	63.32	337.62
(c) Non-controlling interests	II,III,IV	4,276.35	(53.64)	-	4,222.71
Total Equity		12,494.95	(233.68)	63.32	12,324.59
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	5,126.82	(260.87)	-	4,865.95
(ii) Other financial liabilities	IX	14.58	1.12	-	15.70
(b) Long term provisions		9.49	-	-	9.49
(c) Deferred tax liabilities (net)	V	6.72	51.05	(57.77)	-

Lemon Tree Hotels Limited
Annexure V Notes to restated consolidated financial information

(d) Other non-current liabilities	IV	6.48	74.42	-	80.90
		5,164.09	(134.28)	(57.77)	4,972.04
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	416.37	253.00	-	669.37
(ii) Trade payables	IX	339.29	-	(5.40)	333.89
(iii) Other financial liabilities		563.19	-	-	563.19
(b) Other current liabilities	V	85.47	1.82	-	87.29
(c) Provisions	V	12.87	(1.82)	-	11.05
(d) Current tax liabilities (net)		0.11	-	-	0.11
		1,417.30	253.00	(5.40)	1,664.90
Total Liabilities		6,581.39	118.72	(63.17)	6,636.94
Total Equity and Liabilities		19,076.34	(114.96)	0.15	18,961.53

A: Reconciliations between previous GAAP and restated Ind AS

Ind AS 101 required an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2016
Rs. in million

	Footnotes	Previous GAAP	Adjustments	Restatements	Ind AS
ASSETS					
Non-current assets					
(a) Property, plant and equipment	I	12,303.37	-27.86	-	12,275.51
(b) Capital work-in-progress	I	2,477.88	114.59	-	2,592.47
(c) Investment Property	I	-	25.45	-	25.45
(d) Intangible assets	I	13.32	-	-	13.32
(e) Financial assets					
(i) Investments	II	0.08	0.03	-	0.11
(ii) Loans	II	90.73	-14.57	-	76.16
(iii) Other financial assets	II	2,653.48	-2,304.29	-	349.19
(f) Other non-current assets	II	1,893.93	2,111.31	14.99	4,020.23
		19,432.79	-95.34	14.99	19,352.44
Current assets					
(a) Inventories		53.85	-	-	53.85
(b) Financial assets					
(i) Trade receivables	II	243.47	1.39	-0.03	244.83
(ii) Cash and Cash equivalents	V	137.56	0.51	-	138.07
(iii) Investments	II	56.89	0.77	-	57.66
(iv) Other financial assets	II	16.64	-10.86	-	5.78
(iv) Loans	II	7.04	-0.60	-	6.44
(c) Other current assets	II	206.76	-6.48	-0.23	200.05
		722.21	-15.27	-0.26	706.68
Total Assets		20,155.00	-110.61	14.73	20,059.12
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	V	7,781.02	-0.61	-	7,780.41
(b) Other Equity	II,III,IV	502.74	-204.66	20.50	318.58
(c) Non-controlling interests	II,III,IV	4,339.24	-61.90	-	4,277.34
Total Equity		12,623.00	-267.17	20.50	12,376.33
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	III	5,508.43	-271.13	-	5,237.30
(ii) Other financial liabilities		14.48	-	-	14.48
(b) Long term provisions		11.89	-	-	11.89
(c) Deferred tax liabilities (net)	V	26.01	42.88	0.08	68.97
(d) Other non-current liabilities	IV	11.59	131.81	-	143.40
		5,572.40	-96.44	0.08	5,476.04

Lemon Tree Hotels Limited**Annexure V Notes to restated consolidated financial information**

Current liabilities					
(a) Financial liabilities					
(i) Borrowings		441.92	253.00	-	694.92
(ii) Trade payables	IX	517.19	-	-5.85	511.34
(iii) Other financial liabilities		853.24	-	-	853.24
(b) Other current liabilities	V	129.33	0.67	-	130.00
(c) Provisions	V	17.92	-0.67	-	17.25
		1,959.60	253.00	-5.85	2,206.75
Total Liabilities		7,532.00	156.56	-5.77	7,682.79
Total Equity and Liabilities		20,155.00	-110.61	14.73	20,059.12

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

I. Property, plant and equipments

- The auditor's had qualified their opinion on the financial statement for the year ended March 31, 2013 on account of depreciation reversed in the year ended March 31, 2011 provided in the earlier year at accelerated rate so that the net value of the assets less the residual value should be depreciated up to the earlier reassessed useful lives of 2 years assessed up to March 31, 2012. As per AS-6 'Depreciation Accounting' of previous GAAP, the effects of changes in estimated useful lives on depreciation should be provided prospectively from the date of such change. The Company had provided additional depreciation in the years ended March 31, 2013, 2012 and 2011 due to such write back. To give effect to the qualification, the depreciation reversed in the year ended March 31, 2011 is added back to the accumulated depreciation balance (net of additional depreciation till March 31, 2013) and considered as additional depreciation in the audited financial statements for the year ended March 31, 2014. In the restated standalone financial statements, the impact of such additional depreciation has been reflected in the retained earnings as at April 1, 2012.
- As per Ind AS 16, certain expenses pertaining to pre operating period has not been capitalised in property plant and equipment as compared to IGAAP.

II. Financial Assets and other Non- Current assets

- Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords, and loans to employees have been accounted at fair value on initial recognition and subsequently measured at amortized cost using the effective interest rate method.
- Under Indian GAAP, the Company had created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).
- During an earlier year, the Company had given an advance (including other charges) to a developer for construction of a four star hotel at Jaipur. Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell. During the year 2015-16, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received certain amount. As per the revised consent terms, the developer had agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received against the carrying value of advance to developer and had written off the balance amount of other expenses as 'advances written off' in the Statement of Profit & Loss for the year ended March 31, 2016. During the year ended March 31, 2017, the Company has further received the amount and recognized the same in the statement of profit & Loss. In the restated standalone financial statements, the impact of such advances written off has been reversed in the year ended March 31, 2016 and has been reduced from 'Profit on relinquishment of rights' for the year ended March 31, 2017.

III. Financial Liability

- Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in

the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

IV. Lease equalisation

Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

V. ESOP Trust

Considering the guidance given in Ind AS 110, the ESOP trust has been included as part of consolidated financial statements of the Company as compared to IGAAP wherein the same was not included as part of consolidated financial statements.

VI. Deferred tax

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments lead to temporary differences.

VII. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

VIII. Share based payments

Under Indian GAAP, the cost of equity-settled transactions is measured using the intrinsic value method. Ind AS 102 requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

IX. Unspent Liability/ Miscellaneous balances written back

During the years ended 31 March 2017, 2016, 2015, 2014 and 2013, the Company reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been adjusted against the expenses in respective years in which the liability was created.

X. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS.

XI. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

41. Segment Reporting

The Group is into Hoteliering business. The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Group performance, allocate resources based on the analysis of the various performance indicator of the group as a single unit. Therefore there is no reportable segment for the group as per the requirements of Ind AS 108 – “Operating Segments”.

Information about geographical areas

The group has only domestic operations and hence no information required for the group as per the requirements of Ind AS 108 – “Operating Segments”.

Information about major customers

No customer individually accounted for more than 10% of the revenue

42. The Group in the earlier years paid conversion charges of Rs. 60.40 millions in respect of land taken for lease of 60 years for construction of hotel building. The Group has amortized Rs. 1.01 million (Previous years: 31st March 2016 Rs. 1.01 million 31st March 2015: Rs. 1.01 million, 31st March 2014: Rs. 1.01 million, 31st March 2013: Rs. 1.01 million) during the year in accordance with its accounting policy of amortizing the conversion charges over the period of lease as mentioned in Note 2.3 (k) above. The balance amount of Rs. 52.26 million (Previous years Rs. 31st March 2016: Rs.53.27 million 31st March 2015: Rs. 54.27 millions, 31st March 2014: Rs. 55.28 million, 31st March 2013: Rs. 56.29 million) has been shown in Note 9 as 'Prepaid conversion charges'.

43. The Group had issued equity shares of the Company to APG Strategic Real Estate Pool N.V. ('the investor') and the investor had also acquired 46.9% stake of Fleur Hotels Private Limited (a subsidiary Company) by acquiring shares in fresh allotment in Fleur Hotels Private Limited which was considered as deemed disposal of subsidiary stake in the Group. The Company had accordingly recognized deemed disposal gain of Rs. 927.82 million as capital reserve (net of proportionate reduction in goodwill on deemed disposal of Rs. 289.80 million) on the aforesaid deemed disposal of 46.9% stake.

Subsequently, the shareholding of the aforesaid investor in Fleur Hotels Private Limited (along with its subsidiaries) were reduced to 42.47% and the Group had recognized additional deemed disposal gain of Rs. 571.87 million (net of proportionate reduction in goodwill on deemed disposal of Rs. 72.71 million) of the aforesaid change in shareholding.

Considering, Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015, the Indian GAAP carrying amounts of assets and liabilities, is considered at their deemed cost at the date of the acquisition and no retrospective assessment/ adjustments have been made.

Subsequently, the shareholding of the investor in Fleur Hotels Private Limited (along with its subsidiaries) is further reduced to 42.02% during the year ended March 31, 2016 and the Company had recognized additional deemed disposal gain of Rs. 39.33million of the aforesaid change in shareholding.

As per the Shareholder's agreement, all new hotel projects will first be offered to Fleur Hotels Private Limited. There are no other significant commitments to the investor.

44. During the year ended March 31, 2016, the above said investor had also acquired 25.89% stake of Begonia Hotels Private Limited (another subsidiary Company). The Company had recognized deemed disposal gain of Rs. 229.09 million as capital reserve. There is no change in control due to the aforesaid change in shareholding.

45. During the earlier years, one of the subsidiary had entered into an Infrastructure development and services agreement with Delhi International Airport Limited to develop two hotels at Aero City, New Delhi for an initial term of 27 years, extendable at the option of the subsidiary for an additional period of 30 years provided DIAL gets the extension from Airport Authority of India. DIAL is committed to take over the building at 'Book values', as defined in the aforesaid agreement in case the agreement is not extended further. Accordingly the building is depreciated over the estimated useful life of 22 years after reducing the expected residual value as contractually recoverable from DIAL in case the agreement is not extended.

As per the aforesaid agreement, the Group had paid advance for development of infrastructure facilities of Rs. 255.2 million (previous year Rs. 255.2 million), any unspent money will be refunded by DIAL to the subsidiary. The management based on the discussion and assessment believes the cost of development would be equal to advances and has recorded the provision for development of infrastructure facilities as capital expenditure and believes that no further adjustment is required in these financial statements.

46. During the year ended March 31, 2015, the company sold its shareholding in Hyacinth Hotels Private Limited (a wholly owned subsidiary company) to Fleur Hotels Private Limited (its another subsidiary company). The Company has recognised a gain of Rs 348.93million in the standalone financial statements on such sale of equity shares. The approvals for the aforesaid transaction from the Board of Directors and valuation report from an independent valuer had already been taken by the Company in the previous year. The referred transaction did not have any impact on the consolidated financial statements.

47. During the year ended March 31, 2015, the Company sold its shareholding in Meringue Hotels Private Limited (a subsidiary company) to Dandelion Hotels Private Limited (its wholly owned subsidiary company). The referred transaction did not had any impact on the consolidated financial statements.

48. During theyear, the Company has made preferential allotments of Nil equity shares (March 31, 2016: 894,766, March 31, 2015: 314,352, March 31, 2014: 529,751, March 31, 2013: 6,688,136)to parties and companies covered in the register maintained under section 189 of the Act. The management has confirmed that the shares under preferential allotment are issued at fair price based on the price as determined by an independent third party valuer and approved by the shareholders.

49. Pursuant to the scheme of Amalgamation under Section 391/394 of the Companies Act 1956 among the Company and Spank Hotels Private Limited ("Spank") approved by Hon'ble High Court, the erstwhile company merged with the Company w.e.f. April 1, 2011 (the appointed date). Post amalgamation, the whole of the business, property and assets, liabilities and obligations including provisions and reserves of SHPL stand transferred to and be vested in the Company, with effect from the appointed date. Further, with effect from April 1, 2011 (i.e. the appointed date) and up to January 10, 2013 (i.e. the effective date), SHPL being the transferor company had carried out the business in trust for and on behalf of the Company.

In accordance with the scheme of amalgamation, LTHL had issued 32.49 Mn equity shares of Rs. 10 each at par, fully paid up, to the shareholders of SHPL in exchange ratio of two fully paid up equity shares of Rs 10 each of LTHL for every equity share of Re 1 each held in SHPL, and has acquired Rs. 62.98 million forsurplus balance in statement of profit and loss. Further, In accordance with the

provisions of the scheme which had also been approved by the shareholders of the company, the Company in its standalone financial statements had adjusted the difference (representing the difference between the sum of reserve and surplus and net assets taken over from SHPL and the equity shares issued to the shareholders of SHPL) of Rs 308.62 Mn against the securities premium account.

50. In terms of shareholder's approval u/s 180 and 188 of the Companies Act and pursuant to the resolution passed at the Board meeting held on February 19, 2015, the Company had sold its hotel property at Goa to one of its 100% subsidiary M/s Begonia Hotels Private Limited on a going business basis under a slump sale arrangement for a lump sum consideration of Rs. 20 Mn and recognized a loss of Rs. 32.45 Mn being the differential between the net assets transferred amounting to Rs. 52.45 Mn and lump sum consideration of Rs. 20 Mn. The referred transaction did not had any impact on the consolidated financial information.
51. During an earlier year, the Company had given an advance of Rs. 351.94 Mn (including other charges) to a developer for construction of a four star hotel at Jaipur. Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell. During the year 2015-16, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received Rs. 336.00 Mn. As per the revised consent terms, the developer had agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received amounting to Rs. 336.00 Mn against the carrying value of advance to developer and had written off the balance amount of other expenses amounting to Rs. 16.05 Mn as 'advances written off' in the Statement of Profit & Loss for the year ended March 31, 2016. During the year ended March 31, 2017, the Company has further received Rs. 60 Mn and recognized the same in the statement of profit & Loss. In the restated standalone financial statements, the impact of such advances written off has been reversed in the year ended March 31, 2016 and has been reduced from 'Profit on relinquishment of rights' amounting to INR 43.95 Mn for the year ended March 31, 2017.

52. Business combination

During the year, on 13th May, 2016, one of the subsidiary Company, M/s. Fleur Hotels Private Limited purchased 23,110 shares of Bandhav Resorts Private Limited, constituting 100% stake, from its previous owners. On acquisition of Bandhav hotels, the Group has recognized Rs. 67.34 million being the excess of amount paid for the transfer amounting to Rs. 83.40 million and net assets taken over amounting to INR 16.06 million as Goodwill under Intangible assets.

The fair value of assets and liabilities of Bandhav Resorts Private Limited taken over as at the date of business combination were as follows:

Particulars	Fair value of assets and liabilities (Rs. In million)
Property plant & equipment	52.29
Other Non-current assets	1.80
Other non-financial assets	0.07
Cash and short term deposits	0.27
Total assets (A)	54.43
Interest-bearing loans and borrowings	36.49
Other non-financial liabilities	1.88
Total liabilities (B)	38.37
Net asset taken over (A-B)	16.06
Amount paid	83.40
Goodwill	67.34
Cash acquired on acquisition	0.27
Cash paid	83.40
Net cash on acquisition	83.13

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. 301003E/E300005
Chartered Accountants

per Sanjay Vij

Partner

Membership No. 95169

Place : Gurgaon

Date : September 14, 2017

**For and on behalf of the Board of Directors of
Lemon Tree Hotels Limited**

Patanjali G. Keswani
(Chairman & Managing
Director)

DIN:00002974

Kapil Sharma
(Chief financial officer)

Nikhil Sethi
(GM & Group Company
Secretary)

Place: New Delhi

Date : September 14, 2017

Lemon Tree Hotels Limited
Restated Consolidated Financial Statements for the year ended 31 March 2017

Annexure VI Notes on material adjustments to audited consolidated financial statements

Below mentioned is the summary of results of adjustments made in the audited consolidated financial statements of the respective period and its impact on restated consolidated summary statement of profit and loss.

Rs. In million

	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma	For the year ended 31 March 2013 Proforma
I	Net profit / (loss) after tax but before minority interest (as per audited consolidated financial statements prepared under applicable GAAP)	(50.45)	(206.20)	(654.78)	(358.49)	(201.83)
	Adjustments:					
	On account of interest income on interest free loan to employees recognized at amortized cost(Refer Note 1a)		1.29	10.95	11.03	5.69
	On account of interest expense debited to profit & loss due to unwinding of discount of loan to employees (Refer Note 1a)		(0.06)	(10.40)	(12.55)	(6.37)
	On account of interest income on interest free security deposits recognized at amortized cost (Refer Note 1a)		8.15	6.09	6.47	5.74
	On account of amortization of prepayments pertaining to security deposits recognized at amortized cost (Refer Note 1a)		(31.24)	(29.13)	(28.84)	(28.85)
	On account of fair valuation of current investments (Refer Note 1b)		(13.29)	7.05	(42.19)	49.20
	On account of transaction cost amortisation (Refer Note 2)		2.31	1.07	4.62	(1.96)
	On account of straightlining of land leases/ structured payments (Refer Note 3)		(5.05)	(15.61)	(16.23)	(16.17)
	On consolidation of profit/(loss) of ESOP trust (Refer Note 4)		(0.00)	(0.00)	(0.00)	(0.00)
	On account of share based payments recognized at fair value instead of intrinsic value (Refer Note 6)		(14.92)	(1.12)	(1.96)	(13.62)
	Unspent Liability/ Miscellaneous balances written back (Refer Note 8)	(5.67)	(0.44)	(3.75)	3.35	(0.51)
	Current tax impact (Refer Note 12)	3.30	(2.99)	0.67	(7.53)	(0.07)
	Tax adjustments for Earlier Years (Refer Note 12)	(2.34)	(56.30)	50.42	9.34	(0.81)
	Impact of above adjustments on Deferred Tax Assets (Refer Note 5)		4.41	6.80	6.37	4.92
	Amalgamation adjustment (Refer Note 9)	-	-	-	-	6.35
	Prior period expenses (Refer Note 13)	-	0.88	(0.50)	(0.39)	1.07
	Bad debts and advances written off (Refer Note 11)	(16.05)	16.05	-	-	-
	Bad debts and advances written off	0.26	(0.03)	-	(0.23)	-
II	Qualification adjustments					
	Depreciation (Effect of Auditor qualification) (Refer Note 10)	-	-	-	33.02	1.46
VI	Restated comprehensive income / (loss)	(70.95)	(297.42)	(632.24)	(394.21)	(195.76)

Notes

Note 1

- a** Based on Ind AS - 109, financial Assets in the form of long term interest free deposits to landlords, and loans to employees have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.
- b** Based on Ind AS - 109, financial Assets in the form of investments in mutual funds are recorded at fair value whereas under Indian GAAP, the Company had recorded the aforesaid investments at cost or market value which ever was lower.

Note 2

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

Note 3

Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense

Note 4

Considering the guidance given in Ind AS 110, the ESOP trust has been included as part of standalone financials statements of the Company.

Note 5

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various

Note 6

Under Indian GAAP, the cost of equity-settled transactions is measured using the intrinsic value method. Ind AS 102 requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. For

Note 7

As per Ind AS 16, certain expenses pertaining to pre operating period has not been capitalised in property plant and equipment as compared to IGAAP.

Note 8

During the years ended 31 March 2017, 2016, 2015, 2014 and 2013, the Company reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been reflected in respective years in which the liability was created.

Note 9

Pursuant to the scheme of Amalgamation under Section 391/394 of the Companies Act 1956 among the Company and Spank Hotels Private Limited ("Spank") approved by Hon'ble High Court, the erstwhile company, stands merged with the Company w.e.f. April 1, 2011 (the appointed date). The results of the Company for the year ended March 31, 2013 are after giving effect to the scheme. The net profit/(loss) of the company of Rs. (6.34) million for the year ended March 31, 2012 has been disclosed separately in the statement of profit and loss in the audited financial statements for the year ended March 31, 2013. In the restated standalone financial statements, the impact of amalgamation, of Spank has been reflected in the year ended March 31, 2012.

Note 10

The auditor's had qualified their opinion on the financial statement for the year ended March 31, 2013 on account of depreciation of Rs. 37.47 Mn reversed in the year ended March 31, 2011 provided in the earlier year at accelerated rate so that the net value of the assets less the residual value should be depreciated upto the earlier reassessed useful lives of 2 years assessed upto March 31, 2012. As per AS-6 'Depreciation Accounting' of previous GAAP, the effects of changes in estimated useful lives on depreciation should be provided prospectively from the date of such change. The Company had provided additional depreciation of Rs 1.46 Mn, Rs. 1.48 Mn and Rs. 1.51 Mn in the years ended March 31, 2013, 2012 and 2011 respectively due to such writeback. To give effect to the qualification, the depreciation reversed in the year ended March 31, 2011 is added back to the accumulated depreciation balance (net of additional depreciation till March 31, 2013 amounting to INR 4.44 Mn) Rs. 33.02 Mn and considered as additional depreciation in the audited financial statements for the year ended March 31, 2014. In the restated standalone financial statements, the impact of such additional depreciation has been reflected in the retained earning as per restated standalone financial statements as at April 1, 2012 in Note 12 below.

Note 11

During an earlier year, the Company had given an advance of Rs. 351.94 Mn (including other charges) to a developer for construction of a four star hotel at Jaipur. Due to the delays in the construction, the Developer earlier had also agreed to return the aforesaid amount along with interest through various communications and receipt of such amount from developer would lead to the cancellation of agreement to sell. During the year 2015-16, the Company had entered into a binding agreement ('consent terms') to receive full and final settlement against the aforesaid receivable and had received Rs. 336.00 Mn. As per the revised consent terms, the developer had agreed to repay the balance amount and interest for delayed payment by August 31, 2016. The Company had accordingly adjusted the amount already received amounting to Rs. 336.00 Mn against the carrying value of advance to developer and had written off the balance amount of other expenses amounting to Rs. 16.05 Mn as 'advances written off' in the Statement of Profit & Loss for the year ended March 31, 2016. During the year ended March 31, 2017, the Company has further received Rs. 60 Mn and recognized the same in the statement of profit & Loss. In the restated standalone financial statements, the impact of such advances written off has been reversed in the year ended March 31, 2016 and has been reduced from 'Profit on relinquishment of rights' amounting to INR 43.95 Mn for the year ended March 31, 2017.

Note 12

Represents tax adjustment relating to adjustments described above in addition to the earlier years tax adjustments.

Note 13

For the year ended March 31, 2013, depreciation expense amounting to INR 0.21 Mn have been identified as prior period adjustments which pertains to period before April 1, 2013. These adjustments were recorded in the year when identified. However, In the restated standalone financial statements, the impact of such additional depreciation has been reflected in the retained earning as per restated standalone financial statements as at April 1, 2012 in Reconciliation of total equity below.

Note 14**Reconciliation of total equity as at 1 April 2012**

Particulars	(All amounts in Rupees million)		
	Equity share capital	Other equity	Non-controlling interest
Total equity (shareholder's fund) as per previous GAAP	735.62	3,522.76	357.79
Adjustments:			
On account of interest income on interest free loan to employees recognized at amortized cost(Refer Note 1a)	-	7.13	-
On account of interest expense debited to profit & loss due to unwinding of discount of loan to employees (Refer Note 1a)	-	(8.30)	-
On account of straightlining of land leases/ structured payments (Refer Note 3)	-	(18.64)	-
On account of interest income on interest free security deposits recognized at amortized cost (Refer Note 1a)	-	12.25	-
On account of amortization of prepayments pertaining to security deposits recognized at amortized cost (Refer Note 1a)	-	(75.26)	-
On account of transaction cost amortisation (Refer Note 2)	-	(3.25)	-
On consolidation of profit/(loss) of ESOP trust (Refer Note 4)	-	(0.07)	-
On account of share of non-controlling interests in IndAS adjustments		3.96	(3.96)
Unspent Liability/ Miscellaneous balances written back (Refer Note 8)	-	3.27	-
Depreciation (Effect of Auditor qualification) (Refer Note 10)	-	(34.63)	-
Tax adjustments for Earlier Years (Refer Note 12)	-	6.14	-
Impact of above adjustments on Deferred Tax Assets (Refer Note 5)	-	(65.28)	-
Prior period expenses (Refer Note 13)	-	(0.92)	-
	735.62	3,349.16	353.83

Note 15**Reconciliation of total equity as per audited standalone financial statements with total equity as per restated standalone financial information as at 31 March 2015**

The Proforma financial information of the Group as at and for the year ended March 31, 2015, 2014 and 2013, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2015) while preparing the proforma financial information for the FY 2014-15, 2013-2014 and 2012-2013 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. The reconciliation of the two is explained as under:

Particulars	(All amounts in Rupees million)	
	Equity share capital (including share application money pending allotment)	Other equity
Total equity (shareholder's fund) as per restated financial information	11,986.97	336.98
On account of transaction cost amortisation (Refer Note 2)	-	0.64
On account of share based payments recognized at fair value instead of intrinsic value (Refer Note 6)	-	24.67
On account of ESOP recognized at fair values- ESOP reserve as part of other equity	-	(24.67)
Restatements (including adjustments to capital reserves)	-	(63.32)
Total equity (shareholder's fund) after impact of Ind-AS principles applied on proforma basis	11,986.97	274.30
Total equity (shareholder's fund) as per audited financial statements	11,986.97	274.30

Note 16**Applicability of Schedule II**

From April 1, 2014, Schedule II of the Companies Act, 2013 has become applicable to the Company. Accordingly, the Company has revised the estimated useful life of its assets. The written down value of fixed assets as at April 1, 2014 is being depreciated on prospective basis. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

Annexure VII Restated Consolidated Statement of Accounting Ratios

Particulars	Rs. In million				
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 Proforma	For the year ended 31 March 2014 Proforma	For the year ended 31 March 2013 Proforma
Earnings per equity share					
Basic and Diluted EPS (Rs)	(0.11)	(0.40)	(0.69)	(0.64)	(0.29)
Return on Net Worth %	(0.66)	(2.52)	(4.33)	(4.53)	(1.97)
Net asset value per equity share (Rs)	15.87	15.92	15.87	14.13	14.81
Weighted average number of equity shares for Basic and Diluted Earnings Per Equity Share	77,96,27,716	77,72,46,165	77,64,86,772	77,07,42,798	70,69,66,895
Net Profit after tax attributable to Owners of Lemon Tree Hotels Limited, as restated	(82.16)	(312.00)	(534.06)	(493.26)	(206.65)
Share Capital	7,812.13	7,780.41	7,764.26	1,286.17	1,267.77
Reserves (Other equity), as restated	273.59	318.58	337.62	6,706.25	7,111.22
Non-controlling interest	4,283.62	4,277.34	4,222.71	2,895.48	2,093.95
Net worth, as restated	12,369.34	12,376.33	12,324.59	10,887.90	10,472.94

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (Rs)	=	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$
Diluted Earnings per share (Rs)	=	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$
Return on net worth (%)	=	$\frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year / period}}$
Net Asset Value (NAV) per equity share (Rs)	=	$\frac{\text{Net worth, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / Period}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. Net Worth = 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

Annexure VIII - Consolidated capitalisation statement as at March 31, 2017

Particulars	Rs. In million	
	Pre-offer as at March 31, 2017	As adjusted for offer (Refer note 5 below)
Debt		
Short term borrowings (A)		
- Current financial liabilities- borrowings	674.60	
- Current maturities of long term borrowings	405.06	
Non-current financial liabilities- borrowings (B)	6,907.02	
Total borrowings (C=A+B)	7,986.68	
Shareholders' funds		
Share capital	7,812.13	
Reserves and surplus, as restated:		
Securities premium	895.44	
Retained earnings	(1,778.02)	
Capital Reserve	823.94	
General reserve	303.52	
Share-based payments	24.21	
Capital redemption reserve	4.50	
Non-controlling interest	4,283.62	
Total shareholders' funds (D)	12,369.34	
Long term debt/ equity (B/D)	0.56	
Total Debt/ equity (C/D)	0.65	

Notes:

1. Long term debt / equity has been computed as

Non-current financial liabilities

Total equity

2. Total debt / equity has been computed as

Total borrowings

Total equity

3. Short term borrowings represents borrowings due within 12 months from the balance sheet date.

4. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

5. The Company is proposing as Initial public offering through offer for sale. Hence, there will be no change in the shareholder's funds post issue.

6. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

7. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure I, II and IV.

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 fiscal years 2017, 2016, 2015, 2014 and 2013, including the related notes, schedules and annexures. Our restated consolidated financial information as of and for the fiscal years 2017 and 2016 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) 2016. Our restated consolidated financial information as of and for the fiscal years 2015, 2014 and 2013, has been prepared under Ind AS on a proforma basis, in accordance with applicable rules, regulations and the ICAI Guidance Note on Reports in Company Prospectuses (Revised 2016). Our restated consolidated financial information has been compiled from our audited consolidated financial statements for the fiscal year 2017 prepared under Ind AS and for the fiscal years 2016, 2015, 2014 and 2013 prepared under the previous generally accepted accounting principles followed in India ("Indian GAAP"). Ind AS differs in certain material respects with Indian GAAP, IFRS and U.S. GAAP. See "Risk Factors – Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP." on page 35.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal 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 13 and 15, respectively.

Overview

We are India's largest hotel chain in the mid-priced hotel sector, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of June 30, 2017, according to the Horwath Report. We are the ninth largest hotel chain in India in terms of owned, leased and managed rooms, as of June 30, 2017, according to the Horwath Report. We operate in the mid-priced hotel sector, consisting of the upper-midscale, midscale and economy hotel segments. We seek to cater to Indian middle class guests and deliver differentiated yet superior service offerings, with a value-for-money proposition. We opened our first hotel with 49 rooms in May 2004. We operated 4,289 rooms in 40 hotels (including managed hotels) across 24 cities in India as of July 31, 2017.

Our vision is to be India's largest and most preferred chain of hotels and resorts in each of the upper-midscale, midscale and economy hotel segments. Due to the dynamic and evolving nature of Indian guests' expectations and based on our market research, we have created three brands in order to address these three hotel segments:

- 'Lemon Tree Premier' which is targeted primarily at the upper-midscale hotel segment catering to business and leisure guests who seek to use hotels at strategic locations and are willing to pay for premium service and hotel properties;
- 'Lemon Tree Hotels' which is targeted primarily at the midscale hotel segment catering to business and leisure guests and offers a comfortable, cost-effective and convenient experience; and
- 'Red Fox by Lemon Tree Hotels' which is targeted primarily at the economy hotel segment.

We believe that by offering convenient locations, quality and value across the mid-priced hotel sector, we have created a competitive advantage in our chosen markets, which, according to the Horwath Report, have traditionally been underserved in terms of presence of chain affiliated hotels and are generally served by independent hotels with fragmented and localised ownership. Our hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as tier I and tier II cities such as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad. The mid-priced hotel sector is expected to have competitive benefits in offering domestic travellers with hotel solutions in tier II and tier III cities, as per the Horwath Report.

Our operations are spread across the value chain and range from acquiring land to owning, leasing, developing, managing and marketing hotels. We undertake our business through: (i) direct ownership of hotel properties, (ii) long-term lease or license arrangements for the land on which we construct our own hotels, (iii) long-term leases for existing hotels which are owned by third parties, and (iv) operating and management agreements. As of July 31, 2017, we have a portfolio of 19 owned hotels, three owned hotels located on leased or licensed land, five leased hotels and 13 managed hotels. We also have project design, management and development capabilities through our Subsidiary, Grey Fox Project Management Company Private Limited.

Recent Developments

We have commenced operations at our managed hotel, Lemon Tree Premier, Patna, in September 2017 which has 105 rooms and was under development, as of July 31, 2017. Accordingly, references to rooms or hotels under development as of July 31, 2017 elsewhere in this section include this hotel and rooms therein.

Further, we have entered into a hotel operation and management agreement dated August 1, 2017, for a managed hotel in Dwarka, Gujarat, under our Lemon Tree Premier brand, catering to the upper-midscale hotel segment. This hotel in Dwarka, Gujarat, is estimated to have 108 rooms and is expected to be operational by February 2019.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

Competition

We operate in a highly competitive industry and hotels owned or operated by us compete for guests with other hotels. 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 any new hotel properties that commence operation in the areas in which we operate or intend to commence operations. The new supply of hotel rooms in a particular location significantly affects our ability to increase rates charged to customers at our hotels.

Further, competition in the hotel industry impacts our advertising and marketing expenses and pricing strategies. We utilize online travel agents and intermediaries, such as online aggregators to generate bookings for our hotels. We compete with other hotel chains to negotiate terms with such online travel agents and intermediaries and our relative pricing and ranking on online platforms impacts our bookings from these online travel agents and intermediaries. Our ability to capture 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 – 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 22.

Consumer demand and general economic conditions

We operate in the mid-priced hotel sector in India and consumer demand for our hotels is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Economic growth drives business and leisure travel as well as conferences, banquets and events which impact the success of our food and beverage operations. Our revenues are generally higher during the second half of each fiscal year as compared to first half of the fiscal year. 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.

Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence and adverse political conditions can lower the revenues and profitability of our owned and leased hotels as well as the amount of management fees we are able to generate from our managed properties. Also, in case of managed properties, declines in hotel profitability during an economic downturn directly affect the incentive portion of our management fees, which is based on hotel profit measures. As a result, changes in consumer demand and general business cycles can subject and have subjected our revenues to significant volatility. See “***Risk Factors – Internal Risk Factors – A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition.***” on page 15.

Ability to operationalize and successfully operate under development hotels

A key aspect of our growth has been the acquisition of land parcels and developing our own hotel properties as greenfield developments. As of July 31, 2017, our development pipeline consists of six owned hotels or hotels built on leased or licensed land and expansion in two existing hotels, representing (based on management estimates) 1,317 rooms in aggregate. Development and construction projects subject us to inherent development risks and our future results of operations will be significantly dependent on our ability to complete construction and operationalize these hotels within the expected time-frame.

There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by owners of hotels through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. Our revenues and

profitability will be impacted by our ability to achieve an acceptable level of occupancy and revenues from our developed hotels upon completion of construction.

Agreements with third-party owners and relationships with developers

We depend on our long-term management agreements with third-party owners for a significant portion of our management fee revenues. As of July 31, 2017, 13 of our hotels, representing 1,118 rooms, were managed hotels and we intend to open sixteen additional managed hotels, representing 1,291 rooms. Our ability to compete effectively is based primarily on the value and quality of our management services, brand name recognition and reputation, availability of suitable properties in certain geographic areas, and the overall economic terms of our agreements and the economic advantages to the property owner of retaining our management services and using our brands.

Our relationships with these third parties also generate new relationships with developers and opportunities for property development that can support our growth. Growth and maintenance of our hotel system and earning fees relating to hotels in the pipeline are dependent on the ability of developers and owners to access capital for the development, maintenance and renovation of properties. We believe that we have good relationships with our third-party owners and developers and are committed to the continued growth and development of these relationships.

Fixed expenses

Many of the expenses associated with owning, leasing and managing hotels are relatively fixed. These expenses include employee costs, rent, insurance and utilities. When demand for our hotels decreases, due to high operating leverage the resulting decline in our revenues can have an adverse effect on our net cash flow, margins and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth. Economic downturns generally affect the results of our owned and leased hotel segment more significantly than the results of our managed hotels due to the high fixed costs associated with operating an owned or leased hotel. Similarly in conditions of economic upturns, when the demand for hotel rooms increases, due to high operating leverage, our net cash flow, margins and profits increases disproportionately to the increase in revenues.

Mix of hotel ownership models

The mix of owned, leased and managed hotels in our hotel portfolio affects our results of operations in a given period. Our owned and leased hotels have been and will continue to be the main contributor to our revenues. Within our hotel ownership model, while each hotel incurs certain upfront development costs and opening expenses, we generally expect more revenues and profit contribution once a hotel's operations mature. We do not have, nor do we seek to acquire, equity interests in hotels that we do not or will not operate or otherwise manage. We operate and derive profits from our leased hotels as if such hotels were owned by us. Under our lease contracts, we pay a fixed rent to the hotel owner and, in certain instances, the owner benefits from the hotel's performance via additional variable payments. Under the management and franchise models, the owner or franchisee bears substantially all the capital expenditures, opening and operational expenses. As such, our management model enables us to quickly expand our network without incurring significant capital expenditures or expenses.

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:

Average daily rate (“**ADR**”) 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). ADR measures the average room price attained by a hotel or group of hotels, and ADR trends provide useful information relating to pricing policies and the nature of the guest base of a hotel or group of hotels. Changes in ADR have an impact on overall revenues and profitability.

Average Occupancy represents the total number of room nights sold in a given period divided by 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 ADR levels as demand for hotel rooms increases or decreases.

Revenue per available room (“**RevPAR**”) is calculated by multiplying ADR 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 ADR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

RevPAR changes that are driven predominately by occupancy have different implications for overall revenue levels and hotel operating profit than changes driven predominately by ADR. 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 ADR, 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 ADR 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 owned and leased hotels, for the past three fiscal years:

For Our Owned and Leased Hotels:									
	Lemon Tree Premier			Lemon Tree Hotels			Red Fox Hotels		
Fiscal year	2017	2016	2015	2017	2016	2015	2017	2016	2015
No. of available rooms*	877	877	681	1,351	1,306	1,306	605	605	589
No. of hotels*	5	5	4	15	13	13	4	4	4
ADR ¹ (₹)	4,123	3,834	3,635	3,522	3,321	3,175	2,372	2,278	2,179
Average Occupancy ²	74.6%	78.3%	68.3%	77.1%	73.3%	67.9%	79.1%	75.1%	67.8%
Rev PAR ³ (₹)	3,075	3,001	2,482	2,716	2,433	2,155	1,877	1,711	1,477
Staff per room ratio ⁴	1.09	1.15	0.98	1.17	1.15	1.12	0.74	0.75	0.72

* As of March 31 of each fiscal year.

¹ ADR represents revenue from room rentals at our owned and leased 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 divided by the total number of room nights available at a hotel or group of hotels.

³ RevPAR is calculated by multiplying ADR and average occupancy.

⁴ Staff per room is calculated by dividing total staff at the end of a fiscal year by number of available rooms as of March 31 of each fiscal year. Staff includes our employees and personnel engaged on a contractual basis at our owned or leased hotels.

Statement of Significant Accounting Policies

Basis of preparation

The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended March 31, 2017 and March 31, 2016 and Restated Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial statements for the years ended March 31, 2015, 2014 and 2013 has been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads

are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2015, 2014, and 2013 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2015). The basis of preparation for specific items where exemptions has applied are as follows:

- Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2015 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets and investment property.
- For leases of both land and building elements, the Group has used Ind AS 101 exemption and has assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).
- The Group has availed exemption under Ind AS 101 and not recognized the share-based Payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of Proforma Ind AS Consolidated financial information for the year ended March 31, 2015, 2014 and 2013, the Group has recorded expense on fair value basis for all share based payments vesting during the years and has not recognized the share based payments as per Ind AS 102 'share based payments' that vested before 1 April 2012.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the year ended March 31, 2015, 2014 and 2013, the Group has continued with the existing exemption on the date of transition (i.e. April 1, 2015) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.
- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS Consolidated financial information for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014, 2013 and 2012 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015, 2014 and 2013 with adjusted impact due to Ind- AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2015), prepared for filing under Companies Act 2013, differs due to restatement adjustments made as at April 1, 2014, 2013 and 2012. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS Consolidated financial information has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act 2013 Reconciliation of the same is disclosed in Note 15 of Annexure VI.

The Restated Consolidated Financial Information (including Restated Consolidated Ind AS financial information for the year ended March 31, 2017 and March 31, 2016 and Restated Consolidated Proforma Ind AS financial information for the year ended March 31, 2015, 2014 and 2013) have been compiled by the Group from the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015, 2014 and 2013 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

For all periods up to and including the year ended March 31, 2016, the Group prepared its audited Consolidated financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Consolidated financial statements for the year ended March 31, 2017 were the first the Group had prepared in accordance with Ind AS. The date of transition to Ind AS was April 1, 2015.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2016, 2015, 2014 and 2013 and of the Restated Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2016, 2015, 2014 and 2013.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with SEBI, in accordance with the requirements of:

- a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act 2013; and
- b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the “SEBI regulations”).
- c) Guidance note on reports in company prospectuses issued by ICAI

These Restated Consolidated Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

Basis of consolidation

The consolidated financial statements comprise the financial statements of our Company and our Subsidiaries as at March 31, 2017. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if and only if we have:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from our involvement with the investee; and
- the ability to use our power over the investee to affect its return.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether we have power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- our voting rights and potential voting rights;
- the size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

We re-assess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when we obtains control over the subsidiary and ceases when we lose control of the Subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date we gain control until the date we cease to control the Subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a Subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to the Subsidiary’s financial statements in preparing the consolidated financial statements to ensure conformity with the our accounting policies.

The financial statements of all Subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of our Company, i.e., year ended on 31 March.

Current versus non-current classification

We present assets and liabilities in the balance sheet based on current or non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period, or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

We classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. We have identified twelve months as our operating cycle.

Fair value measurement

We measure financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by us.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. We determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. We select external valuers on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. We decide, after discussions with our external valuers, which valuation techniques and inputs to use for each case.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. We assess our revenue arrangements against specific criteria to determine if it is acting as principal or agent. We have concluded that we are acting as a principal in all of our revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Sales tax or value added tax ("VAT") is not received by us on our own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rooms, Restaurant, Banquets and Other Services

Income from guest accommodation is recognized on a day to day basis after the guest checks into our hotels and are stated net of allowances. Incomes from other services are recognized as and when services are rendered. Sales are stated exclusive of service tax, VAT and luxury tax. Difference of revenue over the billed as at the year-end is carried in financial statement as unbilled revenue separately.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, sale of food and beverage are recognized at the points of serving these items to the guests. Sales are stated exclusive of sales tax or VAT.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate ("EIR"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Dividends

Revenue is recognized when our right to receive the payment is established, which is generally when shareholders approve the dividend.

Management Fee

Revenue from management services comprises fixed and variable income. Fixed income is recognized pro-rata over the period of the contract as and when services are rendered. Variable income is recognized on an accrual basis in accordance with the terms of the relevant agreement.

Taxes

Taxes comprise current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where we operate and generate taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. We periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except in certain cases.

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in certain cases.

Sales or VAT paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales or value added taxes paid, except:

- when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- when receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Property, plant and equipment

On transition to Ind AS, we have elected to continue with the carrying value of all of our property plant and equipment recognized as at April 1, 2015, measured as per the Indian GAAP, and use that carrying value as the deemed cost of such property plant and equipment. For the purpose of proforma consolidated Ind AS financial information for the fiscal year 2015, 2014 and 2013, we have rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Capital work in progress is stated at cost less impairment, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, we depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Fixed Assets	Useful life considered (SLM) 2017	Useful life considered (SLM) 2016	Useful life considered (SLM) 2015 Proforma	Useful life considered (SLM) 2014 Proforma	Useful life considered (SLM) 2013 Proforma
Plant & Machinery	15 Year	15 Year	15 Year	20 years	20 years
Building*	60 Years	60 Years	60 Years	58 Years	58 Years
Electrical installations and fittings	10 Years	10 Years	10 Years	20 years	20 years
Office Equipments	5 Years	5 Years	5 Years	20 years	20 years
Furniture and Fixtures	10 Years	10 Years	10 Years	10 Years	10 Years
Crockery, cutlery and soft furnishings	3 Years	3 Years	3 Years	3 Years	3 Years
Vehicles	8 Years	8 Years	8 Years	10 Years	10 Years
Computers	3 Years	3 Years	3 Years	6 Years	6 Years

* Building on leasehold land is depreciated over the primary lease period or useful life whichever is lower.

We depreciate certain items of building, plant and equipment over estimated useful lives which are lower than the useful life prescribed in Schedule II to the Companies Act 2013. We believe that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Further, we have considered the change in useful life as change in estimates.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if appropriate.

Intangible assets

On transition to Ind AS, we have elected to continue with the carrying value of all of our intangible assets recognized as at April 1, 2015, measured as per Indian GAAP, and use that carrying value as the deemed cost of such intangible asset. For the purpose of proforma consolidated Ind AS financial information for the fiscal years 2015, 2014 and 2013, we have rolled

back the amortization based on the estimated useful life of respective fiscal years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as three years and the same has been amortised on straight line basis over its useful life.

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 income statement when the asset is derecognized.

Borrowing costs

Borrowing cost includes interest expense as per EIR. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until such time that the assets are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to our relevant general borrowings during the year. Capitalization of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For leases of both land and building elements, we have used Ind AS 101 exemption and have assessed the classification of each element as finance or an operating lease at the date of transition (April 1, 2015) to Ind AS on the basis of the facts and circumstances existing as at that date. For the purpose of proforma consolidated Ind AS financial information for the fiscal years 2015, 2014 and 2013, we have continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to us is classified as a finance lease. All other leases are classified as operating leases.

Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Stamp duties payable to local authorities on registration of lease agreements, are recognized as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term. Conversion charges payable to local authorities on conversion of use of industrial plot for hotel purposes, are recognized as prepaid expense and charged off to statement of profit and loss on an equitable basis over the lease term.

Inventories

Stock of food and beverages, stores and operating supplies are valued at lower of cost and net realizable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

Deferred Revenue

We operate a loyalty point's program, which allows customers to accumulate points when they obtain services in our hotels. We are acting as the principal in supplying awards. The points can be redeemed for free products or nights, subject to a minimum number of points being obtained. The unutilized points lapse after two years. The consideration received is allocated between the room revenue and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. We have no obligation, other than the contribution payable to the provident fund. We recognize contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, 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, for example, a reduction in future payment or a cash refund.

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the year.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that we recognise related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. We recognise the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Retirement benefits in the form of superannuation Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re-measurement gains or losses are immediately taken to the statement of profit and loss and are not deferred. We present the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where we have the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of our cash management.

Share-based payments

Certain employees (including senior executives) receive part of their remuneration in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions'). We have availed exemption under Ind AS 101 and not recognized the share-based payment transactions as per Ind AS 102 'share based payments' that vested before 1 April 2015. For the purpose of proforma Ind AS consolidated financial information for the fiscal years 2015, 2014 and 2013, we have recorded expense on fair value basis for all share based payments vesting during the years and have not recognized the share based payments as per Ind AS 102 'share based payments' that vested before 1 April 2012.

The cost of equity-settled transactions with employees measured at fair value at the date at which they are granted using an appropriate valuation model. That cost is recognized, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the our best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Significant accounting judgements, estimates and assumptions

The preparation of our consolidated financial statements requires us to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the accounting policies, we have made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Operating lease commitments –as a lessee

We have taken certain land and land and building on long term lease basis. The lease agreements generally have an escalation clause. These leases are generally non-cancellable. We have determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life or remaining economic life of the property and the fair value of the asset, that it does not have all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Further, we, based on an evaluation of the terms and conditions of the respective agreements, decided that wherever the escalations (generally 15% every 3 years or 20% every 4 years) are aligned to the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straight-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. We based our assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond our control. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

The group recognizes deferred tax assets (including MAT credit) to the extent of deferred tax liability. While, the management based on its assessment of the industry forecasts and current year profits is hopeful of generating future taxable profits to utilize these losses, it has recognized deferred tax assets only to the extent of deferred tax liabilities considering the group does not meet Ind AS 12 criteria for recognition of deferred tax assets.

Revenue and Expenses

The following descriptions set forth information with respect to key components of our statement of profit and loss.

Income

Revenue from operations. Our revenue from operations primarily accrues from income received for rooms, restaurants, banquets and other services together with service charge collected.

Income from rooms is rental income received from occupied rooms at our owned and leased hotels.

Revenue from operations also includes revenue from sale of food and beverages (excluding liquor and wine) and sale of liquor and wine, which comprise of food and beverage sold at the restaurant outlets in our hotels, room service and in-room mini bars.

Banquet rental income consists of all income associated with banquet services, including the rental fees for the banquet hall, food and beverages served at the event, decorations and any technical equipment provided.

Other services consists of income from other miscellaneous services, including transport car hire, telecom and internet, laundry, spa and wellness and business center usage. We also receive management fees payable to us for our operation and management arrangements for management of development projects.

Other income. Other income is comprised of rental paid by the shops in our hotels, interest income from fixed deposits, foreign currency fluctuations, and other miscellaneous income.

Expenditure

Cost of food and beverages consumed. This item consists of 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 benefit expense. Expenditure towards employee remuneration and benefits includes salaries and wages including service charge, bonuses, gratuities, leave encashment (accrued vacation not taken), staff welfare expenses, staff perquisites, medical benefits, and contributions to the provident fund.

Other expenses. Significant components of operation, administration and selling expenditures include power, fuel and water, repair and maintenance, license fees, traveling expenses, rates and taxes, marketing and commission to travel agents. This category also includes items such as linen, cutlery, crockery, glassware, property taxes and insurance, professional fees and donations.

Depreciation and amortization expense. This item consists of depreciation on buildings, plant and machinery, electrical equipment and fittings, furniture and fixtures, vehicles and office equipment and amortization of software.

Tax expense. We are subject to income tax liability in India pursuant to the Income Tax Act, 1961. Also, pursuant to this act, corporations are in some circumstances subject to a minimum alternate tax (MAT) liability based on book profit. We make provision for current tax as well as for deferred tax liability (the difference between taxable profit and book profit) based on the effect of timing differences.

Our Results of Operations

	Fiscal year					
	2017		2016		2015	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
REVENUE						
Revenue from Operations	4,119.34	98.52%	3,679.53	99.43%	2,903.62	99.58%
Other Income	62.02	1.48%	21.21	0.57%	12.16	0.42%
Total Income	4,181.36	100.00%	3,700.74	100.00%	2,915.78	100.00%
Finance income	35.62	0.85%	37.21	1.01%	121.45	4.17%
EXPENSES						
Cost of food and beverages consumed	353.27	8.45%	346.11	9.35%	284.41	9.75%
Employee benefits expense	968.89	23.17%	854.03	23.08%	781.80	26.81%
Other expenses	1,633.53	39.07%	1,467.73	39.66%	1,330.35	45.63%
Finance costs	775.92	18.56%	720.23	19.46%	724.60	24.85%
Depreciation and amortization expense	510.12	12.20%	522.61	14.12%	516.87	17.73%
Loss before tax	(24.75)	(0.59)%	(172.76)	(4.67)%	(600.80)	(20.61)%
Current tax	13.72	0.33%	12.07	0.33%	(0.55)	(0.02)%
Minimum Alternate Tax	17.19	0.41%	15.70	0.42%	36.41	1.25%
Deferred tax charge/(credit)	16.04	0.38%	97.46	2.63%	(4.31)	(0.15)%
Restated loss for the year	(71.70)	(1.71)%	(297.99)	(8.05)%	(632.35)	(21.69)%
Other Comprehensive Income	0.75	0.02%	0.57	0.02%	0.12	0.00%
Restated comprehensive loss for the year	(70.95)	(1.70)%	(297.42)	(8.04)%	(632.23)	(21.68)%

Fiscal year 2017 compared to Fiscal year 2016

Income

Our total income increased by 12.99% from ₹ 3,700.74 million for the fiscal year 2016 to ₹ 4,181.36 million for the fiscal year 2017.

Revenue from Operations

Our revenue from operations increased by 11.95% from ₹ 3,679.53 million for the fiscal year 2016 to ₹ 4,119.34 million for the fiscal year 2017. This was due to an increase in our revenues from room rentals from ₹ 2,411.18 million for the fiscal year 2016 to ₹ 2,716.88 million for the fiscal year 2017 for our owned and leased hotels, primarily due to an increase in our ADR across our owned and leased hotels from ₹ 3,244 for fiscal year 2016 to ₹ 3,449 for fiscal year 2017, an increase in our occupancy rates at our owned and leased hotels from 75.1% for the fiscal year 2016 to 76.8% for the fiscal year 2017 and increase in rooms available from 2,788 as of March 31, 2016 to 2,833 as of March 31, 2017, due to opening of two new hotels in October 2016; increase in our revenues from sale of food and beverages (excluding liquor and wine) by 5.73% from ₹ 743.11 million for the fiscal year 2016 to ₹ 785.69 million for the fiscal year 2017; and an increase in management fees from ₹ 88.26 million for the fiscal year 2016 to ₹ 130.87 million for the fiscal year 2017 in relation to payments received pursuant to our operation and management arrangements for our managed hotels.

Other Income

Other income increased by 192.38% from ₹ 21.21 million for the fiscal year 2016 to ₹ 62.02 million for the fiscal year 2017, primarily on account of profit on relinquishment of rights of ₹ 43.95 million for the fiscal year 2017. This was due to surrender of rights, pursuant to delays in the construction of a hotel in Jaipur by the developer. For details, see “**Outstanding Litigation and Other Material Developments**” on page 241.

Finance income

Our finance income decreased by 4.27% from ₹ 37.21 million for the fiscal year 2016 to ₹ 35.62 million for the fiscal year 2017. This reduction was primarily due to a reduction in profit on sale of investment by 84.43% to ₹ 2.65 million for the fiscal year 2017 from ₹ 17.05 million for the fiscal year 2016, partially offset by an increase in interest income from sources other than bank deposits from ₹ 11.12 million for the fiscal year 2016 to ₹ 23.78 million for the fiscal year 2017.

Expenses

Our total expenses increased by 10.79% from ₹ 2,667.87 million for the fiscal year 2016 to ₹ 2,955.69 million for the fiscal year 2017 due to an increase in the number of operational rooms and is in line with growth in our business.

Cost of food and beverages consumed. Cost of food and beverages consumed increased by 2.07% from ₹ 346.11 million for the fiscal year 2016 to ₹ 353.27 million for the fiscal year 2017 due to better management of raw material consumed in production of food.

Employee benefits expense. Our employee benefits expenses increased by 13.45% from ₹ 854.03 million for the fiscal year 2016 to ₹ 968.89 million for the fiscal year 2017 primarily as a result of an increase in our number of employees as a result of increase in number of rooms at our for our owned and leased hotels and the growth in our business and compensation increments given to our employees. Our number of employees increased from 2,957 employees as of March 31, 2016 to 2,984 employees as of March 31, 2017. For fiscal year 2016 and 2017, our average staff per room ratio for our owned and leased hotels was 1.06 and 1.05, respectively.

Other expenses. Other expenses increased by 11.30% from ₹ 1,467.73 million for the fiscal year 2016 to ₹ 1,633.53 million for the fiscal year 2017, primarily as a result of:

- an increase in rent expenses by 42.35% from ₹ 164.85 million for the fiscal year 2016 to ₹ 234.66 million for the fiscal year 2017 due to agreed rent escalations pursuant to our lease agreements for our hotels located in leased land or buildings and the increase in the number of our hotels located in leased land or buildings from five as of March 31, 2016 to seven as of March 31, 2017;
- an increase in power and fuel expenses by 3.75% from ₹ 370.22 million for the fiscal year 2016 to ₹ 384.09 million for the fiscal year 2017 due to increase in number of operational rooms and in line with a growth in operations;
- an increase in repair and maintenance expenses by 20.07% from ₹ 166.66 million for the fiscal year 2016 to ₹ 200.12 million for the fiscal year 2017 due to room upgradation in some of our hotels;
- an increase in legal and professional fees by 22.93% from ₹ 76.61 million for the fiscal year 2016 to ₹ 94.18 million for the fiscal year 2017 mainly due to fee paid in respect to study done in hospitality sector in India;
- an increase in commission - other than sole selling agent by 50.42% from ₹ 37.02 million for the fiscal year 2016 to ₹ 55.69 million for the fiscal year 2017 due to change in business mix, i.e. increase in business through travel agents;

which were partially offset by:

- a decrease in rates and taxes by 5.78% from ₹ 92.47 million for the fiscal year 2016 to ₹ 87.13 million for the fiscal year 2017 due to reductions in luxury tax paid by us.

Depreciation and amortization expenses

Our depreciation and amortization expenses decreased by 2.39% from ₹ 522.61 million for the fiscal year 2016 to ₹ 510.12 million for the fiscal year 2017, primarily due to certain assets (having three to five years of useful life) completing their useful lives.

Finance costs

Our finance costs increased by 7.73% from ₹ 720.23 million for the fiscal year 2016 to ₹ 775.92 million for the fiscal year 2017, primarily as a result of an increase in interest on term loans from banks by 16.89% from ₹ 532.41 million for the fiscal year 2016 to ₹ 622.32 million for the fiscal year 2017 due to additional bank loans, which was partially offset by decrease in interest rates and an increase in interest on loans from financial institutions by 152.91% from ₹ 25.28 million for the fiscal year 2016 to ₹ 63.93 million for the fiscal year 2017 due to takeover of bank loans by financial institutions, which was partially offset by decrease in interest rates.

Restated Profit/ (Loss) Before Tax

Our restated loss for the year decreased by 85.67% from ₹ 172.76 million for the fiscal year 2016 to ₹ 24.75 million for the fiscal year 2017. Restated loss before tax was 4.67% and 0.59% as a percentage of our total revenue for the fiscal years 2016 and 2017, respectively.

Tax expense

Our tax expense decreased by 62.51% from ₹ 125.23 million for the fiscal year 2016 to ₹ 46.95 million for the fiscal year 2017, primarily on account of a reduction in deferred tax charge by 83.54% from ₹ 97.46 million for the fiscal year 2016 to ₹ 16.04 million for the fiscal year 2017, partially offset by an increase in current tax by 13.63% to ₹ 13.72 million for the fiscal year 2017 from ₹ 12.07 million for the fiscal year 2016 and an increase in minimum alternate tax by 9.46% to ₹ 17.19 million for the fiscal year 2017 from ₹ 15.70 million for the fiscal year 2016.

Restated Profit/ (Loss) for the Year

Our restated loss for the year decreased by 75.94% from ₹ 297.99 million for the fiscal year 2016 to ₹ 71.70 million for the fiscal year 2017. Our restated loss for the year was 1.71% and 8.05% as a percentage of our total revenue for the fiscal years 2017 and 2016, respectively.

Restated Comprehensive Income/ (Loss) for the Year

Our restated comprehensive loss decreased by 76.14% from ₹ 297.42 million for the fiscal year 2016 to ₹ 70.95 million for the fiscal year 2017, primarily on account of a reduction in our restated loss for the year, which was partially offset by an increase in other comprehensive income.

Fiscal year 2016 compared to Fiscal year 2015

Income

Our total income increased by 26.92% from ₹ 2,915.78 million for the fiscal year 2015 to ₹ 3,700.74 million for the fiscal year 2016.

Revenue from Operations

Our revenue from operations increased by 26.72% from ₹ 2,903.62 million for the fiscal year 2015 to ₹ 3,679.53 million for the fiscal year 2016. This was due to an increase in our revenues from room rentals from ₹ 1,866.85 million for the fiscal year 2015 to ₹ 2,411.18 million for the fiscal year 2016 for our owned and leased hotels primarily due to an increase in our ADR across our owned and leased hotels from ₹ 3,065 for fiscal year 2015 to ₹ 3,244 for fiscal year 2016 and an increase in our occupancy rates at our owned and leased hotels from 68.0% for the fiscal year 2015 to 75.1% for the fiscal year 2016; increase in our revenues from sale of food and beverages (excluding liquor and wine) by 18.99% from ₹ 624.53 million for the fiscal year 2015 to ₹ 743.11 million for the fiscal year 2016; and an increase in management fees by 38.21% from ₹ 63.86 million for the fiscal year 2015 to ₹ 88.26 million for the fiscal year 2016 in relation to payments received pursuant to our operation and management arrangements for our managed hotels.

Other Income

Other income increased by 74.44% from ₹ 12.16 million for the fiscal year 2015 to ₹ 21.21 million for the fiscal year 2016, primarily on account of an increase in income from 'serve for India scheme' (export incentives) by 73.13% from ₹ 5.64 million for the fiscal year 2015 to ₹ 9.77 million for the fiscal year 2016 and an increase in rent received by 25.07% from ₹ 4.10 million for the fiscal year 2015 to ₹ 5.13 million for the fiscal year 2016.

Finance income

Our finance income decreased by 69.36% from ₹ 121.45 million for the fiscal year 2015 to ₹ 37.21 million for the fiscal year 2016. This reduction was primarily due to a reduction in profit on sale of investment by 74.62% from ₹ 67.19 million for the fiscal year 2015 to ₹ 17.05 million for the fiscal year 2016, and a decrease in interest income from sources other than bank deposits by 49.24% from ₹ 21.90 million for the fiscal year 2015 to ₹ 11.12 million for the fiscal year 2016 and

a decrease in interest income on bank deposits by 56.76% from ₹ 18.30 million for the fiscal year 2015 to ₹ 7.91 million for the fiscal year 2016.

Expenses

Our total expenses increased by 11.32% from ₹ 2,396.56 million for the fiscal year 2015 to ₹ 2,667.87 million for the fiscal year 2016.

Cost of food and beverages consumed. Cost of food and beverages consumed increased by 21.70% from ₹ 284.41 million for the fiscal year 2015 to ₹ 346.11 million for the fiscal year 2016 in line with increased consumption of food and beverages at our hotels and corresponding increase in revenues from sale of food and beverages.

Employee benefits expense. Our employee benefits expenses increased by 9.24% from ₹ 781.80 million for the fiscal year 2015 to ₹ 854.03 million for the fiscal year 2016 primarily as a result of an increase in our number of employees as a result of increase in number of rooms and growth in our business and compensation increments given to our employees. Our number of employees increased from 2,419 employees as of March 31, 2015 to 2,957 employees as of March 31, 2016. For fiscal year 2015 and 2016, our average staff per room ratio for our owned and leased hotels was 1.00 and 1.06, respectively.

Other expenses. Other expenses increased by 10.33% from ₹ 1,330.35 million for the fiscal year 2015 to ₹ 1,467.73 million for the fiscal year 2016, primarily due to:

- an increase in license fees by 5.50% from ₹ 36.29 million for the fiscal year 2015 to ₹ 38.29 million for the fiscal year 2016 on account of escalation as per license agreements entered into by us with the Delhi International Airport Limited;
- an increase in power and fuel expenses by 8.50% from ₹ 341.22 million for the fiscal year 2015 to ₹ 370.22 million for the fiscal year 2016 due to increase in number of operational rooms and in line with a growth in our operations;
- an increase in repair and maintenance expenses by 38.83% from ₹ 120.05 million for the fiscal year 2015 to ₹ 166.66 million for the fiscal year 2016 due to room upgradation in some of our hotels;
- an increase in communication costs by 21.86% from ₹ 71.20 million for the fiscal year 2015 to ₹ 86.77 million for the fiscal year 2016 on account of due to increase in number of operational rooms and in line with a growth in our operations;

which were partially offset by:

- a decrease in subscription charges by 38.16% from ₹ 14.99 million for the fiscal year 2015 to ₹ 9.27 million for the fiscal year 2016 on account of change in cable television service providers from specific channel distributors to direct to home operators across our hotels; and
- a decrease in expenses on rates and taxes by 12.94% from ₹ 106.22 million for the fiscal year 2015 to ₹ 92.47 million for the fiscal year 2016 due to a one time payment of stamp duty in relation to the merger of certain of our subsidiaries conducted in 2015.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 1.11% from ₹ 516.87 million for the fiscal year 2015 to ₹ 522.61 million for the fiscal year 2016 on account of an increase in depreciation of tangible assets, partially offset by a decrease in amortization of intangible assets.

Finance costs

Our finance costs decreased by 0.60% from ₹ 724.60 million for the fiscal year 2015 to ₹ 720.23 million for the fiscal year 2016 primarily on account of a reduction in interest on term loans from banks by 4.90% from ₹ 559.83 million for the fiscal year 2015 to ₹ 532.41 million for the fiscal year 2016 due to repayment of existing loans, a reduction in interest on loans from financial institutions by 71.24% from ₹ 87.90 million for the fiscal year 2015 to ₹ 25.28 million for the fiscal year 2016 due to reorganization of our debt portfolio and a decrease in interest on income tax by 93.00% from ₹ 2.80 million for the fiscal year 2015 to ₹ 0.20 million for the fiscal year 2016.

Restated Profit/(Loss) Before Tax

Our restated loss for the year decreased by 71.24% from ₹ 600.80 million for the fiscal year 2015 to ₹ 172.76 million for the fiscal year 2016. Restated loss before tax was 20.61% and 4.67% as a percentage of our total revenue for the fiscal years 2015 and 2016, respectively.

Tax expense

Our tax expense increased from ₹ 31.55 million for the fiscal year 2015 to ₹ 125.23 million for the fiscal year 2016 on account of an increase in current tax from ₹ (0.55) million for the fiscal year 2015 to ₹ 12.07 million for the fiscal year 2016 and a deferred tax credit of ₹ 4.31 million for the fiscal year 2015, compared to a deferred tax charge of ₹ 97.46 million for the fiscal year 2016. These were partially offset by a decrease in minimum alternate tax by 56.87% from ₹ 36.41 million for the fiscal year 2015 to ₹ 15.70 million for the fiscal year 2016.

Restated Profit/(Loss) for the Year

Our restated loss for the year decreased by 52.88% from ₹ 632.35 million for the fiscal year 2015 to ₹ 297.99 million for the fiscal year 2016. Restated loss for the year was 21.69% and 8.05% as a percentage of our total revenue for the fiscal years 2015 and 2016, respectively.

Restated Comprehensive Income/(Loss) for the Year

Our restated comprehensive loss decreased by 52.96% from ₹ 632.23 million for the fiscal year 2015 to ₹ 297.42 million for the fiscal year 2016, primarily on account of a reduction in our restated loss for the year, which was partially offset by an increase in other comprehensive income.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

	<i>(₹ in million)</i>		
	Fiscal year		
	2017	2016	2015
Net cash generated from/(used in) operating activities	1,324.89	680.24	(509.61)
Net cash used in investing activities	(2,289.93)	(1,027.55)	(1,501.07)
Net cash generated from financing activities	1,002.90	185.01	1,587.16
Net increase/(decrease) in cash and cash equivalents	37.85	(162.30)	(423.52)

Operating Activities

Net cash flows from operating activities was ₹ 1,324.89 million for the fiscal year 2017. While we had an operating cash profit before working capital changes of ₹ 1,231.85 million, we had a loss before tax of ₹ 24.75 million for the fiscal year 2017, primarily as a result of depreciation and amortization expenses of ₹ 510.12 million, finance costs of ₹ 737.04 million and lease equalization reserve of ₹ 64.88 million, which were partially offset by profit on relinquishment of rights of ₹ 43.95 million and finance income (including fair value change in financial instruments) of ₹ 32.97 million. Our changes in working capital for the fiscal year 2017 primarily comprised change in liabilities and provisions of ₹ 316.34 million and change in inventories of ₹ 4.48 million, which were partially offset by a change in trade receivables of ₹ 71.87 million and change in loans, advances and other current assets of ₹ 115.43 million.

Net cash from operating activities was ₹ 680.24 million for the fiscal year 2016. While we had an operating cash profit before working capital changes of ₹ 1,099.60 million, we had a loss before tax of ₹ 172.76 million for the fiscal year 2016, primarily as a result of depreciation and amortization expenses of ₹ 522.61 million, finance costs of ₹ 686.74 million and lease equalization reserve of ₹ 67.30 million, which were partially offset by finance income (including fair value change on financial instruments) of ₹ 20.16 million, net gain on sale of current investments of ₹ 17.05 million and excess provision or credit balances written back of ₹ 3.22 million. Our changes in working capital for the fiscal year 2016 primarily comprised a change in loans, advances and other current assets of ₹ 726.09 million, change in trade receivables of ₹ 66.98 million and change in inventories of ₹ 5.78 million, which were partially offset by a change in liabilities and provisions of ₹ 501.61 million.

Net cash used in operating activities was ₹ 509.61 million for the fiscal year 2015. While we had an operating cash profit before working capital changes of ₹ 496.50 million, we had a loss before tax of ₹ 600.80 million for the fiscal year 2015, primarily as a result of depreciation and amortization expenses of ₹ 516.87 million, finance costs of ₹ 692.83 million and lease equalization reserve of ₹ 25.07 million, which were partially offset by finance income (including fair value change on financial instruments) of ₹ 54.26 million and net gain on sale of current investments of ₹ 67.19 million. Our changes in working capital for the fiscal year 2015 primarily comprised change in loans, advances and other current assets of ₹ 876.21

million, a change in trade receivables of ₹ 20.65 million and a change in inventories of ₹ 1.38 million and change in liabilities and provisions of ₹ 22.88 million.

Investing Activities

Net cash used in investing activities was ₹ 2,289.93 million for the fiscal year 2017. This primarily related to purchase of property, plant and equipment including capital work in progress and capital advances of ₹ 2,349.66 million, acquisition of shares in subsidiaries of ₹ 37.21 million and purchase of current investments of ₹ 319.76 million, which were partially offset by sale of current investments of ₹ 316.68 million, finance income of ₹ 32.97 million and proceeds from relinquishment of rights of ₹ 60.00 million.

Net cash used in investing activities was ₹ 1,027.55 million for the fiscal year 2016. This primarily related to purchase of property, plant and equipment including capital work in progress and capital advances of ₹ 1,323.87 million and purchase of current investments of ₹ 441.58 million, which was partially offset by finance income of ₹ 20.15 million and sale of current investments of ₹ 713.34 million.

Net cash used in investing activities was ₹ 1,501.07 million for the fiscal year 2015. This primarily related to purchase of property, plant and equipment including capital work in progress and capital advances of ₹ 1,701.24 million, purchase of current investments of ₹ 5,372.10 million and acquisition of shares in subsidiaries of ₹ 72.41 million, which were partially offset by sale of current investments of ₹ 5,510.66 million, proceeds from sale of property, plant and equipment of ₹ 79.79 million and finance income of ₹ 54.25 million.

Financing Activities

Net cash from financing activities was ₹ 1,002.90 million for the fiscal year 2017. This primarily resulted from proceeds from long term borrowings of ₹ 2,357.24 million, which were partially offset by interest paid of ₹ 737.04 million, repayment of long term borrowings of ₹ 598.18 million and repayment of short term borrowings (net of proceeds) of ₹ 20.32 million.

Net cash from financing activities was ₹ 185.01 million for the fiscal year 2016. This primarily resulted from proceeds from long term borrowings of ₹ 823.22 million, proceeds from non-controlling interest (issuance of share capital by subsidiaries) of ₹ 309.00 million due to investments in Begonia by APG, repayment of short term borrowings of ₹ 25.55 million and proceeds from issuance of share capital of ₹ 25.29 million, which were partially offset by repayment of long term borrowing of ₹ 311.31 million and interest paid of ₹ 686.74 million.

Net cash from financing activities was ₹ 1,587.16 million for the fiscal year 2015. This primarily resulted from proceeds from non-controlling interest (issuance of share capital by subsidiaries) of ₹ 2,041.66 million due to investments in Nightingale by APG, proceeds from long term borrowings of ₹ 894.92 million and proceeds from issuance of share capital of ₹ 115.87 million, which were partially offset by repayment of long term borrowing of ₹ 629.46 million, repayment of short term borrowings of ₹ 143.64 million and interest paid of ₹ 692.19 million.

Indebtedness

As on July 31, 2017, we have outstanding secured borrowings of ₹ 8,420.85 million and unsecured borrowings of ₹ 253.00 million on a consolidated basis. Set forth below is a brief summary of our aggregate outstanding borrowings on a consolidated basis as on July 31, 2017.

(₹ in million)		
Category of Borrowing	Sanctioned Amount	Outstanding amount as on July 31, 2017
Secured		
Long Term	14,209.55	7,967.61
Short term	500.00	453.24
Unsecured	253.00	253.00
Total	14,962.55	8,673.85

See “**Financial Indebtedness**” for a description of material terms of our indebtedness, on page 239.

Our non-current borrowings as of March 31, 2017, March 31, 2016 and March 31, 2015 were ₹ 6,907.03 million, ₹ 5,237.30 million and ₹ 4,865.95 million, respectively. 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.

Capital and Other Commitments

As of March 31, 2017, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 2,209.21 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2017:

(₹ in million)					
	Total	Payments due by period			
		Less than 1 year	1 -3 years	3-5 years	Above 5 years
Contracts issued towards construction of hotels	2,209.21	1,167.42	1,041.79	-	-
Total borrowings	7,986.68	1,079.66	1,743.82	1,568.49	3,594.71

Capital Expenditure

For the fiscal year 2017, we incurred a capital expenditure of ₹ 2,349.66 million, primarily towards construction of our hotels in Sector 60 in Gurgaon and in Udaipur, Kolkata, Mumbai and Pune. For the fiscal year 2016, we incurred a capital expenditure of ₹ 1,323.86 million, primarily in construction of hotels at City Centre and Sector 60 in Gurgaon and in Udaipur and Pune. For the fiscal year 2015, we incurred a capital expenditure of ₹ 1,701.24 million, primarily in construction of hotels in Hyderabad and Udaipur.

During the fiscal year 2018, we expect to incur planned capital expenditures of approximately ₹ 3,178.00 million towards construction of new hotels in Udaipur, Pune, Mumbai, Shimla and Kolkata.

Contingent Liabilities and Commitments

As of March 31, 2017, our contingent liabilities, as per Ind AS 37 – provisions, contingent liabilities and contingent assets, that have not been provided for are as set out in the table below:

(₹ in million)	
Particulars	As of March 31, 2017
Counter Guarantees given in respect of guarantees issued by the Company's bankers	180.03
Service tax demand	33.12
Luxury tax	4.20
VAT demands	5.64
Income tax cases	9.16
Matters pending with consumer court	2.28
Property tax case in fiscal year 2011	6.93
Total	241.36

The Group's pending litigations above pertains to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

- (a) During the previous years, the Company had received a show cause notice dated April 25, 2014 from Collector of Stamps, Delhi ('Department'), wherein the department was of the view that prima facie the Company has not paid stamp duty as per Indian Stamp Act, 1899 on right to use the land given by Delhi International Airport (P) Ltd. (DIAL) under the Development Agreement dated May 25, 2009 ('DA'). The Company contested the matter and the Department pursuant to the response received from all the developers of area where the Company's project is located, and arguments thereon, passed a common order on July 14, 2014 ("Order") and subsequently, the Company and its directors received show cause notice dated August 14, 2014 from the Department as to why criminal prosecution for non- payment of requisite stamp duty should not be initiated against them. The Company along with certain other developers had filed a writ petition before the Honorable High Court of Delhi (HC) and the HC vide its order dated August 25, 2014 has granted ex- parte interim stay from all proceedings under the Order including the said show cause notice dated August 14, 2014. The next date of hearing before the HC is scheduled for August 28, 2017. The Company, based on advice from legal experts, is of the view that there is no likelihood of any liability devolving on the Company on this ground and further, any liability cannot be ascertained at this stage requiring any adjustment in these restated standalone financial information.
- (b) One of the Subsidiary Company has received a demand from South Delhi Municipal Corporation ('the Authority') wherein the Authority has called upon the Subsidiary Company to pay an amount of ₹ 68.20 lakhs (for the financial Years 2010-11 to financial years 2013-2014) towards annual value in respect of the hotel property situated in Hospitality District, Aerocity. The Subsidiary Company filed a writ petition in the high court against the said order. Pending adjudication, the High Court had given interim stay directing the Subsidiary Company to deposit Rs 25 lakhs.

The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand (including the demand for any subsequent year) is improbable to crystallize.

- (c) Malviya National Institute of Technology, Jaipur ("MNIT") filed an application before the Sub-divisional Officer ("SDO"), Jaipur against, among others, Sukhsagar Complexes Private Limited (one of the subsidiary), alleging that a portion of the land on which Red Fox Hotel, Jaipur has been constructed is owned by MNIT. Pursuant to an order dated December 31, 1999, the SDO, Jaipur, recorded certain land bearing khasra number 102/433 in the name of Gulab Chand and certain others, while removing the name of Malviya Regional Engineering College, the predecessor entity to MNIT. Against the order of the SDO, MNIT filed an appeal (appeal no. 327/2013) before the Divisional Commissioner, Jaipur ("Commissioner"), against Gulab Chand, Girdharilal Maninar and Gopal Das Johar, being the previous owners of the property sold to Sukhsagar, and also, among others, Sukhsagar, stating that Sukhsagar and Devashish Builders Private Limited had encroached on the land belonging to MNIT. The appeal was dismissed by the Commissioner pursuant to an order dated January 8, 2013 and the order passed by the SDO, dated December 31, 1999, was confirmed. Subsequently, Sukhsagar filed a review petition before the Commissioner challenging the order dated January 8, 2013 on grounds of certain procedural irregularities. The Commissioner, through an order dated September 4, 2013, recalled its previous order dated January 8, 2013. The Commissioner eventually dismissed the appeal filed by MNIT through an order dated September 11, 2013. MNIT filed a writ petition before the High Court of Rajasthan challenging the order of the Commissioner, dated September 11, 2013. The management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.
- (d) Meringue Hotels Private Limited (one of the subsidiary company), in 2006, had purchased a plot of land along with a factory unit on it, from Mistry Prabhudas Manji Engineering Private Limited. It had been represented to the subsidiary that the factory unit on the land had been shut since December 1998 due to illegal strikes by the workmen. The recovery officer of Employee State Insurance Corporation, Mumbai, issued a notice dated October 12, 2015 to the subsidiary informing it that Rs 2.16 million is due and payable towards arrears of contribution/ interest/ damages under the Employee State Insurance, Act, 1948 ("ESIC Act") for the period from April 1, 1992 up to March 31, 1998 and that Meringue has been declared as deemed defaulter under the ESIC Act. The notice also asked Meringue to show cause as to why a warrant of arrest should not be issued against it. Meringue filed an application (No. 25 of 2015) dated December 21, 2015 before the Employee's State Insurance Court, Mumbai ("ESIC Court") against the show cause notice issued by the recovery officer on the grounds that the show cause notice is not valid as it is inconsistent with the earlier order of the Court dated October 21, 2011 which required the ESIC to re-calculate the amount payable by Mistry Prabhudas Manji Engineering Private Limited after adjusting the sum already paid. The subsidiary requested the ESIC Court to grant an interim stay on enforcement of the aforementioned notice. Further, the subsidiary filed an application (No. 14 of 2016) before the ESIC Court for declaration that the notice dated October 12, 2015 is null and void as it was issued in violation of the order dated October 21, 2011 of the ESIC Court. The ESIC has filed its reply to the application on September 14, 2016. The management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.
- (e) Oriole Dr. Fresh Hotels Private Limited (a subsidiary company) filed an arbitration petition (arbitration petition No. 160/2012), against the Delhi Developmental Authority (the "DDA") seeking quashing of invocation of a bank guarantee amounting to Rs 10.28 million by DDA, recovery of Rs 2.50 million as compensation alleging harassment and mental agony, recovery of Rs 1 million towards cost of proceedings, and interest at the rate of 18% on blocked amount from December 28, 2010 till the date of return of pay order. This dispute pertains to an agreement for construction of a hotel by the subsidiary in Kondli, Delhi, entered into with DDA, as a successful bidder in an auction process conducted for this purpose. As per such agreement the subsidiary was required to provide a bank guarantee of Rs 10.28 million as performance security. The DDA allegedly sought to encash the bank guarantee on December 21, 2011 on grounds of non-performance of contractual obligations by the subsidiary. Consequently, on March 12, 2012 Oriole sent a notice of commencement of arbitration to DDA and on May 31, 2012, the subsidiary obtained an injunction (OMP No. 1/2012) from the High Court of Delhi restraining DDA and Axis Bank Limited from proceeding with the encashment of the bank guarantee until the completion of the arbitration proceedings. An arbitral tribunal was constituted on September 28, 2012 and Oriole filed its statement of claims on November 8, 2012. The management based upon its assessment and expert's advice believes that any further liability against the aforesaid demand is improbable to crystallize.
- (f) The Commissioner, Labour Department, Jaipur issued a notice dated April 21, 2017 to Sukhsagar Complexes Private Limited (a subsidiary company) under the Building and other Construction Workers' (Regulations of employment and conditions of service) Act, 1996 read with Building and other Construction Worker's Rules 2009 and Building and Other Construction Workers' Welfare Cess Act, 1996 read with the Building and Other Construction Workers' Welfare Cess Rules, 1998 in relation to non-registration and non-payment of cess for construction work. Pursuant to the aforesaid notice, our Company filed its response with the commissioner on July 28, 2017. The management based upon its assessment and expert's advice believes that any liability is improbable to crystallize.

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.

Auditor's Reservations/ Qualifications/ Adverse Remarks

Set out below are reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our Auditors in their audit reports on the audited consolidated and unconsolidated financial statements for the last five Fiscals preceding the date of this Draft Red Herring Prospectus, together with the impact on our financial statements (if any) and corrective steps taken by our Company in this regard.

Fiscal (Unconsolidated/ Consolidated Financial Statements)	Details of Reservations/ Qualifications/ Adverse Remarks/ Matters of Emphasis	Details of impact on financial statements and corrective steps taken by the Company
2015 (unconsolidated financial statements and consolidated financial statements)	Qualifications were included in the audit reports stating doubtful recovery of advance of ₹ 351.94 million (including other charges) given to a developer in earlier years, the recovery of which is still awaited and the Company had initiated legal actions against the developer in this respect. Pending the final outcome of the aforementioned matters, the Auditors were unable to comment upon the same, including any consequential adjustments, if any, to the financial statements in this regard.	The Auditors were unable to comment on any consequential adjustments, if any, to the financial statements in this regard. <u>Corrective steps taken by the Company:</u> In subsequent years, the Company recovered the amount and accordingly the qualification was removed.
2014 (unconsolidated financial statements and consolidated financial statements)	Qualifications were included in the audit reports stating doubtful recovery of advance of ₹ 351.94 million (including other charges) given to a developer in earlier years, the recovery of which is still awaited and the Company had initiated legal actions against the developer in this respect. Pending the final outcome of the aforementioned matters, the Auditors were unable to comment upon the same, including any consequential adjustments, if any, to the financial statements in this regard.	The Auditors were unable to comment on any consequential adjustments, if any, to the financial statements in this regard. <u>Corrective steps taken by the Company:</u> In subsequent years, the Company recovered the amount and accordingly the qualification was removed.
2013 (consolidated financial statements)	The following qualifications were included in the audit report: - Doubtful recovery of advance of ₹ 351.94 million (including other charges) given to a developer in earlier years, the recovery of which is still awaited and the Company had initiated legal actions against the developer in this respect. Pending the final outcome of the aforementioned matters, the Auditors were unable to comment upon the same, including any consequential adjustments, if any, to the financial statements in this regard. - Reassessment of useful life of hotel building and reversal of addition depreciation of ₹ 37.47 million, which were not consistent with Accounting Standard-6 on depreciation accounting	The Auditors were unable to comment on any consequential adjustments, if any, to the financial statements in this regard. <u>Corrective steps taken by the Company:</u> In subsequent years, the company recovered the amount and accordingly the qualification was removed. As per the audit report, had the company given effect as to the changes in the manner required by Accounting Standard-6, the net loss after taxation for the year would have been ₹ 209.15 million as against reported loss after tax of ₹ 210.61 million. Further, net block of fixed assets would have been lower by ₹ 32.96 million and depreciation expenses would have been lower by ₹ 1.46 million and reserves and surplus would have been lower by ₹ 32.96 million. <u>Corrective steps taken by the Company:</u>

Fiscal (Unconsolidated/ Consolidated Financial Statements)	Details of Reservations/ Qualifications/ Adverse Remarks/ Matters of Emphasis	Details of impact on financial statements and corrective steps taken by the Company
		In subsequent years, the Company reversed the transaction and accordingly the auditor's qualification was removed.
	Additionally, the audit report included the following emphasis of matter: Accounting treatment adopted by the Company pursuant to a scheme of arrangement approved by the Honourable High Court of Delhi, whereby the Company has adjusted difference aggregating to ₹ 308.62 million against the securities premium account. This treatment, although approved by the High Court of Delhi, is not consistent with Accounting Standards.	Both goodwill and securities premium account were lower by ₹ 308.62 million. <u>Corrective steps taken by the Company:</u> The accounting treatment done by Company was in accordance with the scheme approved by the High Court and accordingly no adjustment was required to be done.
2013 (unconsolidated financial statements)	The following qualifications were included in the audit report: • Doubtful recovery of advance of ₹ 351.94 million (including other charges) given to a developer in earlier years, the recovery of which is still awaited and the Company had initiated legal actions against the developer in this respect. Pending the final outcome of the aforementioned matters, the Auditors were unable to comment upon the same, including any consequential adjustments, if any, to the financial statements in this regard. • Reassessment of useful life of hotel building and reversal of addition depreciation of ₹ 37.47 million, which were not consistent with Accounting Standard-6 on depreciation accounting	The Auditors were unable to comment on any consequential adjustments, if any, to the financial statements in this regard. <u>Corrective steps taken by the Company:</u> In subsequent years, the Company recovered the amount and accordingly the qualification was removed.
	Additionally, the audit report included the following emphasis of matter: Accounting treatment adopted by the Company pursuant to a scheme of arrangement approved by the Honourable High Court of Delhi, whereby the Company has adjusted goodwill aggregating to ₹ 308.62 million against the securities premium account. This treatment, although approved by the High Court of Delhi, is not consistent with Accounting Standards.	As per the audit report, had the company given effect as to the changes in the manner required by Accounting Standard-6, the net loss after taxation for the year would have been ₹ 173.56 million, as against reported loss after tax of ₹ 175.02 million. Further, net block of fixed assets would have been lower by ₹ 32.96 million and depreciation expenses would have been lower by ₹ 1.46 million and reserves and surplus would have been lower by ₹ 32.96 million. <u>Corrective steps taken by the Company:</u> In subsequent years, the Company reversed the transaction and accordingly the auditor's qualification was removed.
	Additionally, the audit report included the following emphasis of matter: Accounting treatment adopted by the Company pursuant to a scheme of arrangement approved by the Honourable High Court of Delhi, whereby the Company has adjusted goodwill aggregating to ₹ 308.62 million against the securities premium account. This treatment, although approved by the High Court of Delhi, is not consistent with Accounting Standards.	Both goodwill and securities premium account were lower by ₹ 308.62 million. <u>Corrective steps taken by the Company:</u> The accounting treatment done by Company was in accordance with the scheme approved by the High Court and accordingly no adjustment was required to be done.

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016, 2015 and 2003 (as amended), as applicable, on the unconsolidated statutory financial statement for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which do not require any corrective adjustment in the unconsolidated

financial statements, are as follows:

As at and for the year ended March 31, 2017

- i) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ in million)

Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate Tribunal
Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.60	Nil	Fiscal 2011	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	3.71	Nil	Fiscal 2013	Central Excise and Service Tax Appellate Tribunal
Service Tax Rule, 1994	Service Tax	9.37	Nil	Fiscal 2014	Stay application filed at Central Excise and Service Tax Appellate Tribunal

As at and for the year ended March 31, 2016

- i) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ in million)

Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate Tribunal
Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.60	Nil	Fiscal 2011	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	3.71	Nil	Fiscal 2013	Central Excise and Service Tax Appellate Tribunal
Service Tax Rule, 1994	Service Tax	9.37	Nil	Fiscal 2014	Stay application filed at Central Excise and Service Tax Appellate Tribunal

As at and for the year ended March 31, 2015

- i) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) According to the records of the Company, the due outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

(₹ in million)

Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994	Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate Tribunal

Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.60	Nil	Fiscal 2011	Mumbai Tribunal
Service Tax Rule, 1994	Service Tax	2.04	Nil	Fiscal 2013	Central Excise and Service Tax Appellate Tribunal
Service Tax Rule, 1994	Service Tax	4.71	Nil	Fiscal 2014	Commissioner of Service Tax
Service Tax Rule, 1994	Service Tax	17.01	Nil	Fiscal 2014	Central Excise and Service Tax Appellate Tribunal

- iii) The Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current and immediately preceding financial year.

As at and for the year ended March 31, 2014

- i) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(₹ in million)

Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	34.29	Nil	Fiscal 2010	The Commissioner of Income Tax (Appeals)

- iii) The Company has no accumulated losses at the end of the financial year. In the immediately preceding financial year, the Company had incurred cash loss.
- iv) Attention is invited to Note 40 stating that the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 at a price as per the shareholder's agreement. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

As at and for the year ended March 31, 2013

- i) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(₹ in million)

Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	34.29	Nil	Fiscal 2010	The Commissioner of Income Tax (Appeals)

- iii) The Company has no accumulated losses at the end of the financial year and it has incurred cash losses in the current year. In the immediately preceding financial year, the Company had not incurred cash loss.
- iv) Attention is invited to Note 41 stating that the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act at a price higher than as determined by

an independent third party valuer or is as per the shareholder's agreement. In view of the aforesaid, in our opinion, the prices at which shares have been issued are not prejudicial to the interest of the Company.

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2015, as applicable, on the consolidated financial statements for the year ended March 31, 2015, which do not require any corrective adjustment in the consolidated financial statements, are as follows:

As at and for the year ended March 31, 2015

- i) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) According to the information and explanations given to auditors, and as reported by other auditors who audited the financial statements of the certain covered entities, undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

(₹ in million)

Name of the Company	Nature of the Statute	Nature of dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Celsia	Subsidiary	Karnataka Labour Welfare Fund	Unpaid Employee Dues	0.30	FY 2009-10 to 31-Mar-15	Not paid

- iii) According to the records of the Company, the due outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute are as follows:

(₹ in million)

Name of the Company	Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	7.01	Nil	October 2007- March 2009	Central Excise and Service Tax Appellate tribunal
Lemon Tree Hotels Limited	Maharashtra Luxury Tax Act, 1987	Luxury Tax	3.69	Nil	Fiscal 2010-11	Mumbai Tribunal
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	2.04	Nil	Fiscal 2012-13	Central Excise and Service Tax Appellate tribunal
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	4.71	Nil	Fiscal 2013-14	Commissioner of Service Tax
Lemon Tree Hotels Limited	Service Tax Rule, 1994	Service Tax	17.01	Nil	Fiscal 2013-14	Central Excise and Service Tax Appellate tribunal
Fleur Hotels Private Limited	Andhra Pradesh Value Added Tax, 2005	VAT	4.35	1,873,593	AY 2008-09 to AY 2012-13	Assessing Officer, Commercial tax of Andhra Pradesh, Hyderabad
Fleur Hotels Private Limited	Service Tax Rule, 1994	Service Tax	9.24	Nil	October 2010 – March 2011	Central Excise and Service Tax Appellate tribunal

Name of the Company	Name of the Statute	Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Canary Hotels Private Limited	UP Value Added Tax Act, 2008	VAT	0.10	Nil	Year 2009-10	Additional Commissioner (Appeals), Ghaziabad
Nightingale Hotels Private Limited	Income Tax Act, 1961	Income Tax	0.7	Nil	AY 2011-12	Appeal pending with Commissioner (Appeals)

- iv) The accumulated losses of the covered entities at the end of the financial year are less than fifty per cent of its net worth except four companies out of the covered entities of the group. The holding company and eight subsidiary companies have incurred cash losses in the current financial year. In the immediately preceding financial year, the holding company and eleven subsidiary companies had incurred cash losses.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. We are exposed to interest rate risk, credit risk and inflation risk in the normal course of our business.

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. All of our current indebtedness bears interest at floating rates where the interest payments are tied to certain benchmark rates set by RBI. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations. For further information, see “**Risk Factors – All our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations**” on page 25 and “**Financial Indebtedness**” on page 239.

Credit Risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract. We are exposed to credit risk from our operating activities from trade receivables from our corporate customers. We typically have credit terms typically ranging from 30 to 60 days with our corporate customers. As of March 31, 2017, 2016 and 2015, our trade receivables were ₹ 314.45 million, ₹ 244.83 million and ₹ 179.05 million, respectively.

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our employee benefit payments or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

Known Trends or Uncertainties

The hospitality industry is cyclical and generally follows, on a lagged basis, the general economy. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in rates realized by owners of hotels through economic cycles. Variability of results through some of the cycles in the past has been more severe due to changes in the supply of hotel rooms in given markets or in given categories of hotels. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. Because of this, in an environment of increasing/declining revenues, the rate of increase/decline in profit margins will be higher than the rate of increase/decline in revenues.

In addition, our business has been affected and we expect that it will continue to be affected by the trends identified above in “**Significant Factors Affecting Our Results of Operations**” and the uncertainties described in the section “**Risk Factors**” on pages 211 and 15, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in “Risk Factors” and this section, there are no known factors that might affect the future relationship between cost and revenue.

Related Party Transactions

We have entered into various transactions with related parties, including our Promoters and certain members of our Promoter Group. For example, we have availed of services from Spank Management Services Private Limited, our Promoter, in relation to design, development and supervision of hotel development projects. In aggregate, we have made payments to Spank Management Services Private Limited of ₹ 597.20 million, commencing from 2005. In the fiscal years 2017, 2016 and 2015, we made payments of ₹ 117.65 million, ₹ 37.00 million and ₹ 80.54 million, respectively, to Spank Management Services Private Limited, which comprised 12.85%, 3.16% and 5.66% of our total capital expenses for the respective fiscal years.

Further, we have availed marketing and promotion services from Ms. Sharanita Keswani, a related party. In aggregate, we have made payments to Ms. Sharanita Keswani of ₹ 24.14 million, commencing from 2005. In the fiscal years 2017, 2016 and 2015, we made payments of ₹ 4.22 million, ₹ 4.21 million and ₹ 3.60 million, respectively, to Ms. Sharanita Keswani, which comprised 0.14%, 0.16% and 0.15% of our total expenses for the respective fiscal years. See “**Related Party Transactions**” on page 207.

We have terminated the agreements relating to the services availed by our Company and Meringue Hotels Private Limited from Spank Management Services Private Limited and by our Company from Ms. Sharanita Keswani, effective September 1, 2017. We made payments of ₹ 60.28 million and ₹ 2.10 million, to Spank Management Services Private Limited and Ms. Sharanita Keswani, respectively, prior to the termination of such arrangements during the fiscal year 2018 and do not expect to make any future payments under these agreements.

We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see “**Related Party Transactions**” on page 207.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections “**Risk Factors**” and “**Our Business**” on pages 15 and 136, respectively.

Seasonality and Cyclicity of Business

The hospitality industry is seasonal in nature. The periods during which our properties experience higher revenues vary from property to property, depending principally upon location and the guest base served. Our revenues are generally higher during the second half of each fiscal year as compared to first half of the fiscal year. Seasonality affects leisure travel and the MICE segment (meetings, incentives, conferences and events); however, business travel is generally more consistent throughout the year, and we will continue to aim to attract business travelers. This seasonality can be expected to cause quarterly fluctuations in revenue, profit margins and net earnings. Further, the timing of opening of newly constructed or franchised hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter.

The hospitality industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by owners of hotels through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. This leads to high operating leverage in the hotel business. In an environment of changing revenues the rate of change in profit margins may be higher than the rate of change in revenues.

New Products or Business Segments

As of July 31, 2017, we have a development pipeline of 2,783 rooms across 24 new hotels and two existing hotels. See “**Our Business – Description of Our Business – Our Expansion Plans**” on page 149. We have commenced operations at our managed hotel, Lemon Tree Premier, Patna, in September 2017 and have entered into a hotel operation and management agreement dated August 1, 2017, for a managed hotel in Dwarka, Gujarat. See “– **Recent Developments**” on page 137.

Except as disclosed in “**Our Business**” on page 136, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments Occurring after March 31, 2017

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 material liabilities within the next 12 months.

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 financial condition or results of operations.

FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable laws and pursuant to a resolution dated July 24, 2014, passed by our shareholders, our Board has been authorised to borrow sums in excess of the aggregate of our paid-up share capital and free reserves, up to ₹ 6,500 million.

As on July 31, 2017, we have outstanding secured borrowings of ₹ 8,420.85 million and unsecured borrowings of ₹ 253.00 million on a consolidated basis. Set forth below is a brief summary of our aggregate outstanding borrowings on a consolidated basis as on July 31, 2017.

(in ₹ million)		
Category of Borrowing	Sanctioned Amount	Outstanding amount as on July 31, 2017
Secured		
Long Term	14,209.55	7,967.61
Short term	500.00	453.24
Unsecured	253.00	253.00
Total	14,962.55	8,673.85

Key terms of our secured borrowings are disclosed below.

- *Tenor and interest rate:* The tenor of the term loan facilities availed by us typically range from 60 months to 240 months. All our borrowings are on floating rates of interest.
- *Security:* Our secured borrowings are typically secured against:
 - (i) existing and future charge on the immovable properties of the hotels of the Company or the Subsidiary, as applicable;
 - (ii) charge on current assets, existing and future, and entire moveable and/or fixed assets of the hotels of the Company or the Subsidiary, as applicable;
 - (iii) charge on the book-debts, operating cash flows, receivables, bills receivable, bank accounts, etc. from the hotels of the Company or the Subsidiary, as applicable; and
 - (iv) mortgage (including through the deposit of title deeds) on the land and building including installations, fitments, plants and machinery of the hotels of the Company or the Subsidiary, as applicable.

In most cases, the security created in favour of a lender by our Company is *pari passu* with other lenders.

Further, as part of security for certain borrowings availed by our Subsidiaries, Canary and Sukhsagar, our Company has pledged its entire shareholding (except shares held by its nominees) in Canary and Sukhsagar. Further, our Subsidiary, Fleur, has pledged 51% of its shareholding in Hyacinth, to secure borrowings availed by Hyacinth.

Additionally, our Promoter, Mr. Patanjali Govind Keswani, has provided personal guarantees in the past to secure certain facilities availed by our Company. Further, our Company has provided corporate guarantees with respect to certain facilities availed by some of our Subsidiaries.

- *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 facility;
 - (ii) breach of any covenants, conditions, representations or warranties;
 - (iii) cross default under any arrangement for 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) substantial change in the constitution and management or beneficial ownership of the Company or the Subsidiary, as applicable, having an adverse effect on the lender without the previous consent; and
 - (vi) ceasing or threatening to cease carrying on the business.
- *Restrictive covenants:* Our Company and Subsidiaries, under certain financing arrangements availed by them respectively, require the relevant lender's prior written consent for carrying out certain actions, including:
 - (i) reduction or change in promoter shareholding;
 - (ii) change in shareholding control or management control without prior consent of the lender, as applicable;
 - (iii) change in the composition of the Board of Directors;

- (iv) undertake or permit any amalgamation, demerger, merger, consolidation, scheme of arrangement or compromise with the shareholders or creditors;
- (v) changing or altering capital structure;
- (vi) declaration or payment of dividend;
- (vii) raising of new loans;
- (viii) making any amendments to the memorandum and articles of the Company or the Subsidiary, as applicable; and
- (ix) reduction of shareholding of promoter group below 15% of the capital of the Company.

For further details of financial and other covenants required to be complied with in relation to our borrowing, see “**Risk Factors – We have substantial indebtedness which requires significant cash flows to service, and limits our ability to operate freely. We will continue to have substantial indebtedness and debt service obligations following the Offer.**” on page 24.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Subsidiaries, Group Companies, Promoters or Directors; (ii) outstanding actions taken by statutory or regulatory authorities involving our Company, Subsidiaries, Group Companies, Promoters or Directors; and (iii) outstanding claims involving our Company, Subsidiaries, Group Companies, Promoters or Directors for any direct and indirect tax liabilities; (iv) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries, pending or taken, during the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus; and prosecutions filed (whether pending or not) involving our Company or our Subsidiaries; fines imposed or compounding of offences under the Companies Act by our Company and our Subsidiaries in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) pending defaults or non-payment of statutory dues by our Company; (vi) litigation or legal action pending or taken against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) material frauds committed against our Company, in the five years preceding the date of this Draft Red Herring Prospectus; (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy in accordance with the SEBI ICDR Regulations; (ix) outstanding dues to micro, small and medium enterprises and other creditors; and (x) outstanding litigation involving any other person whose outcome could have a material adverse effect on the position of our Company. Further, there are no pending proceedings initiated for economic offences or defaults our Company in respect of dues payable.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on August 11, 2017 for the purposes of disclosure, all pending litigation involving our Company, Subsidiaries, Group Companies, Promoters or Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending matter 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.

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. Outstanding criminal proceedings involving our Company

Criminal proceedings against our Company

The Food Inspector, Indore, as a part of an inspection, took samples of pasta moccagatta dal served at Lemon Tree Hotel, Indore on August 16, 2010. In pursuance of the inspection by the Food Inspector, Indore, the Deputy Director, Food and Drug Administration, Indore (“**Food Director**”) issued a notice dated January 24, 2011 to our Company, requiring our Company to furnish certain information. Further, the Food Director issued a notice dated September 29, 2011 to our Company informing us of the report dated September 24, 2010 of the public analyst, which stated that the pasta moccagatta dal collected from Lemon Tree Hotel, Indore was misbranded and therefore, failed to meet the prescribed standards under applicable law. Subsequently, the Food Inspector, Indore filed a chargesheet before the Judicial Magistrate, Indore (“**Magistrate**”) against certain officers and employees of our Company alleging sale and distribution of misbranded products at Lemon Tree Hotel, Indore. Through a letter dated July 6, 2015, certain officers named in the charge-sheet filed their response to the Magistrate submitting that they were not members of the board of directors of the Company on the date of commission of the alleged offence and consequently, prayed for deleting their name from the charge-sheet.

Criminal proceedings by our Company

Our Company filed a first information report (“**FIR**”) (FIR No. 456 of 2012) dated July 4, 2012 before the station house officer, Jawahar Circle, Jaipur (East), against World Trade Park Limited (formerly, R.F. Properties and Trading Limited) (“**WTPL**”) and others, alleging that WTPL and such others had engaged in cheating, criminal breach of trust and criminal conspiracy with regard to the performance of their obligations under an agreement to sell dated March 3, 2008 between our Company and WTPL. Pursuant to the terms of such agreement to sell, our Company had made a payment of ₹ 314.40 million, in advance, for construction and possession of certain property for the purpose of a hotel, which was to be constructed by WTPL, the possession of which, was not handed over to our Company. Consequently, our Company, WTPL and the others agreed to terminate the agreement to sell and refund the advance payment with the interest thereon, accumulated, which sum aggregated to ₹ 517.40 million. The

police filed a final report dated October 30, 2012, before the Chief Metropolitan Magistrate stating that the matter is of civil nature. Our Company filed a protest petition to the final report submitted by the police and stated that the police had not investigated the matter properly and prayed that the police should further investigate the matter. The matter is pending before the Additional Civil Judge cum Magistrate in Jaipur.

Further, our Company filed five complaints before the Additional Chief Metropolitan Magistrate, Saket Complex Court, New Delhi, (“**Magistrate**”) under Sections 138 and 141 read with Section 142 of the Negotiable Instruments Act, 1881, against WTPL and others for dishonour of five post-dated cheques, of an aggregate amount of ₹ 517.40 million, issued for the purpose of refunding an aggregate outstanding amount of ₹ 517.40 million, being the advance paid by our Company for purchase of property at World Trade Park, Jaipur. The proceeding is pending before the Magistrate.

B. Pending action by statutory or regulatory authorities against our Company

1. The Assistant Provident Fund Commissioner, Chennai (“**Commissioner**”) issued a summon dated July 27, 2011 to our Company, for determination of dues payable towards provident fund, pension fund, and insurance fund under the provisions of the Employees’ Provident Fund Scheme, 1952, Employees’ Pension Scheme, 1995 and Employees’ Deposit Linked Insurance Scheme, 1976. The enforcement officer, pursuant to the inspection report dated July 14, 2011 had stated that our Company had paid the dues only on basic wages and had not included various allowances as part of basic wages while calculating the dues payable as required by law. Pursuant to an order dated April 25, 2012, the Commissioner upheld the report of the enforcement officer and ordered our Company to pay ₹ 2.41 million as outstanding dues for the period February 2009 to December 2011. Against the order of the Commissioner, our Company filed an appeal before the Employees’ Provident Fund Appellate Tribunal, New Delhi, which, pursuant to an order dated May 14, 2012, admitted the appeal and directed our Company to deposit 40% of the amount as ordered under the April 25, 2012 order of the Commissioner.
2. Assistant Provident Fund Commissioner, Bangalore (“**Commissioner**”) issued a summon dated October 19, 2011, to our Company in order to examine and decide if our Company has paid proper contribution towards dues and if contributions were paid on an appropriate amount. The Commissioner, pursuant to an order dated February 11, 2015, determined that our Company was liable to pay provident fund contribution towards medical and conveyance allowances and decided that our Company was liable to pay a total contribution of ₹ 10.76 million towards provident fund, pension fund, and insurance fund contributions and administrative charges towards provident and insurance fund for the period from January 2011 to September 2014 in accordance with Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employees’ Provident Funds Scheme, 1952, Employees’ Deposit Linked Insurance Scheme, 1976, and Employees’ Pension Scheme 1995. The Commissioner took into account ₹ 5.95 million already deposited by our Company and, consequently, adjusted the outstanding liability of our Company to ₹ 4.81 million. Our Company filed an appeal before the Employees’ Provident Funds Appellate Tribunal, New Delhi (“**EPFAT**”) against the February 11, 2015 order of the Commissioner. Subsequently, our Company filed a writ petition (W.P. (C) 2352/2015) before the High Court of Delhi against the inordinate delay in disposal of application by the EPFAT. The High Court of Delhi, pursuant to an order dated March 18, 2015, restrained the Commissioner from taking any measure against our Company pursuant to the order dated February 11, 2015 until the final adjudication of appeal before the EPFAT.
3. The Food Safety Officer, Food and Drug Administration, Aurangabad conducted an inspection of our Lemon Tree Hotel, Aurangabad on December 30, 2015 and took samples of medium fat frozen dessert sold and synthetic vinegar used at the hotel. The Office of the Joint Commissioner, Food and Drug Administration, Aurangabad (“**Commissioner**”) through its letter dated January 28, 2016, informed our Company that the synthetic vinegar samples did not meet the prescribed standards under the FSSR and directed our Company to furnish invoices in respect of purchase of the synthetic vinegar. Our Company submitted the purchase invoices to the Commissioner through a letter dated February 17, 2016. Further, through a letter dated July 6, 2017, our Company requested the Commissioner to discharge our Company from the proceeding as the vinegar sample was neither manufactured nor supplied by our Company.
4. The Collector, Aurangabad issued a show cause notice dated August 1, 2017 requiring our Company to show cause as to why action should not be taken against our Company under the Consumer Protection Act, 1986, for non-compliance with guidelines notified by the Government of India in relation to levying service charge on customers. Our Company replied to such show cause notice on August 4, 2017 stating that the payment of service charge was voluntary and that the customers were informed of this prior to levying any service charge. We have not received any further communication from the Collector, Aurangabad.

5. The Regional Provident Fund Commissioner, Chandigarh (“**Commissioner**”) issued a show-cause notice dated October 16, 2012 stating that our Company had failed to pay certain dues under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employees’ Provident Fund Scheme, 1952, Employees’ Family Pension Scheme, 1971, and Employees Deposit Linked Insurance Scheme, 1976 and had also failed to submit certain documents as required under the scheme and required our Company to submit certain returns and to deposit amounts due for the period November 1, 2011 up to September 30, 2012, and through a notice dated October 16, 2012 required our Company to appear before the Commissioner in this regard. Through the letter dated December 27, 2012, our Company informed the Commissioner that the Enforcement Officer visited Lemon Tree Hotels, Chandigarh and the Company presented all documents as requisitioned by the Enforcement Officer. Subsequently, through a summons dated August 16, 2013, the Commissioner initiated an enquiry against the Company for determination of dues under the Employee’s Provident Funds and Miscellaneous Provisions Act, 1952. Through the letter dated October 24, 2013, our Company responded to the Commissioner and informed that the Company has filed an appeal before the Employee Provident Fund Appellate Tribunal, New Delhi in a similar matter relating to Lemon Tree Hotels, Chennai and requested the Commissioner to close the proceedings until the final adjudication of the aforementioned appeal.
6. Delhi International Airport Limited and Hyacinth entered into a development agreement dated May 25, 2009 pursuant to which Hyacinth was granted certain license rights relating to land in Delhi Airport Aerocity. Pursuant to a sub-license agreement dated December 10, 2009, Hyacinth granted rights to Spank Hotels Private Limited for developing, running and operating a hotel on such land. Subsequently, Spank Hotels Private Limited merged with our Company. The collector of stamps, New Delhi, issued a show cause notice dated April 25, 2014 to our Company and Hyacinth, for production of lease and other documents relating to use of the said land. In the show cause notice, the collector of stamps, New Delhi stated that it had formed a prima facie opinion that Spank Hotels Private Limited and Hyacinth had not paid applicable stamp duty on the sub-license and development agreement. Our Company and Hyacinth responded to the show-cause notice in June, 2014. The Collector of Stamps, Delhi, passed an order dated July 14, 2014 stating that our Company and Hyacinth, among other owners/ operators of commercial establishments in Delhi Airport Aerocity, adopted colourable device with an intention to defraud in order to avoid payment of stamp duty. On August 13, 2014 and August 14, 2014, the Collector of Stamps, New Delhi issued notices in relation to criminal prosecution for non-payment/deficient payment of stamp duty requiring the officers of, among others, our Company and Hyacinth to appear before the Collector of Stamps, New Delhi. Against the order dated July 14, 2014, and the notices dated August 13, 2014 and August 14, 2014 issued by the Collector of Stamps, New Delhi, along with others, our Company and Hyacinth, filed a writ petition (No. 5429 of 2014) before the High Court of Delhi. The High Court of Delhi, through an order dated August 25, 2014 admitted the writ petition and stayed the proceedings before the Collector of Stamps, New Delhi.

C. Tax proceedings involving our Company

Direct tax proceedings

There are seven direct tax proceedings (including one notice for rectification) against our Company and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 41.14 million. The nature of these proceedings pertain to alleged incorrect computation and deductions for certain assessment years.

Indirect tax proceedings

There are seven indirect tax proceedings (including three show-cause notices in relation to demand for service tax and wrongful availment of CENVAT credit) against our Company and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 62.55 million. The nature of these proceedings pertain to alleged incorrect availing of CENVAT credit, service tax payable on room rent and on banquet services.

D. Other material outstanding litigation involving our Company

Material outstanding litigation by our Company

1. Our Company has filed a winding-up petition dated December 22, 2014 (Company Petition No. 967 of 2014) before the Bombay High Court against WTPL alleging WTPL’s inability to repay the amount owed by it to our Company. For details of the criminal proceedings initiated by our Company against WTPL, see “- ***Criminal Proceedings by our Company***” on page 241. Subsequently, our Company and WTPL filed consent terms on June 9, 2015 with the Bombay High Court, in terms of which, WTPL agreed to pay our Company ₹ 530.00 million by December 10, 2015. However, as on March 3, 2016, WTPL had repaid only ₹ 336.00 million. Consequently, revised consent terms were filed by our Company and WTPL on March 15, 2016 whereby WTPL agreed to pay the outstanding amount of ₹

194.00 million by August 31, 2016. However, WTPL failed to comply with the consent terms resulting in reopening of the winding-up petition. The Bombay High Court passed an order dated July 26, 2017 directing World Trade Park to pay 50% of the outstanding principal amount as agreed pursuant to the June 9, 2015 consent terms, along with interest as agreed to be paid under the March 15, 2016 consent terms, by March 20, 2018, and the remaining 50% amount by July 30, 2018. The Bombay High Court further ordered that upon full payment of the outstanding amount by WTPL, our Company and WTPL shall reconcile our accounts and none of us shall have any claim against each other and that our Company shall file for withdrawal of the winding-up petition.

2. Pursuant to a notification dated March 10, 2006, the state government of Karnataka amended the Zoning Regulation framed under the Karnataka Town and Country Planning Act, 1961 (“**Zoning Regulation**”) in respect of open spaces and civic amenities and provided that the authorities shall collect market rate of converted property as fixed by the sub-registrar from owner or developer to the extent of 10% of the total area to be reserved for open spaces and park in lieu of such reservation. Bruhat Bangalore Mahanagar Palika (“**BBMP**”), through the circular dated June 9, 2010, stated that owners/ developers would be liable to pay amount as specified under Zoning Regulations, if the owners/developers failed to comply with the guidelines under the Zoning Regulations in respect of open spaces and civic amenities and demand notices shall be issued by BBMP in this regard. BBMP demanded compensation from our Company and required us to pay a sum of ₹ 12.64 million towards issuance of occupancy certificate. Our Company filed a writ petition (W.P. No. 41884/2010) before the High Court of Karnataka challenging the order of BBMP.

The High Court of Karnataka, through an interim order dated December 30, 2010, ordered BBMP to issue occupancy certificate to our Company subject to us paying 25% of the amount demanded by BBMP, being ₹ 3.16 million. Our Company deposited the amount as directed by the High Court. Further, through an order dated April 1, 2011, the High Court of Karnataka quashed the demand notices and required BBMP to refund the amount, being ₹ 3.16 million deposited by our Company. In terms of the order of the High Court, our Company requested BBMP to refund the amount deposited. However, BBMP informed our Company that it had filed a writ appeal in relation to a matter challenging the validity of the Zoning Regulations, and consequently would refund the amount only upon final adjudication of the matter. The writ appeal filed by BBMP was dismissed by the High Court. Upon dismissal of the writ appeal filed by BBMP and non-refund of the amount deposited, Our Company filed a contempt petition (1919 of 2013) against BBMP before the High Court of Karnataka for non-compliance with the order of the High Court of Karnataka.

BBMP submitted its reply to the High Court of Karnataka on April 10, 2014 bringing on record that BBMP has filed a Special Leave Petition (SLP No. 9340-78 of 2013) before the Supreme Court of India in relation to the dismissal of the writ petition by the High Court of Karnataka and the Supreme Court has issued a stay in the matter, and submitted that the contempt petition filed by our Company should be dismissed. The matter is currently pending before the Supreme Court.

E. Pending defaults and non – payment of statutory dues

Details of default and non-payment of statutory dues of our Company (on a standalone basis), as of March 31, 2017, are given below:

- i) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- ii) The dues outstanding of income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ in million)

Name of the Statute		Nature of dues	Disputed amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Service Tax Rule, 1994		Service Tax	7.00	Nil	October 2007-March 2009	Central Excise and Service Tax Appellate Tribunal
Maharashtra Tax Act, 1987	Luxury	Luxury Tax	3.60	Nil	Fiscal 2011	Mumbai Tribunal
Service Tax Rule, 1994		Service Tax	3.71	Nil	Fiscal 2013	Central Excise and Service Tax Appellate Tribunal

Service Tax Rule, 1994	Service Tax	9.37	Nil	Fiscal 2014	Stay application filed at Central Excise and Service Tax Appellate Tribunal

F. Outstanding dues to creditors

As of March 31, 2017, we had 2, 477 creditors. The aggregate amount outstanding to such creditors as on March 31, 2017 was ₹ 439.06 million. For further details, see <http://www.lemontreehotels.com>.

As per the Materiality Policy, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the offer document, including this Draft Red Herring Prospectus, if amounts due to such creditor exceeds 5.00% of the total consolidated trade payables as on the date of the latest consolidated financial statements included in such offer documents. Based on the above, there are no material creditors of the Company as on March 31, 2017.

Further, based on information available with our Company, there are no dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2017.

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 our Company's website, <http://www.lemontreehotels.com>, would be doing so at their own risk.

II. LITIGATION INVOLVING OUR SUBSIDIARIES

(1) Begonia Hotels Private Limited

A. **Pending action by statutory or regulatory authorities against Begonia**

The Regional Provident Fund Commissioner, Goa (“**Commissioner**”) issued a summons dated November 26, 2012 and December 6, 2012 to Begonia under the provisions of the EPF Act for the period between January 2011 to August 2012 alleging that Begonia was dishonestly using basic wages into various allowances and keeping basic wages very low. Begonia responded to the Commissioner through the letter dated December 4, 2012 submitting that Begonia was depositing provident fund contribution on basic wages as agreed in the contract of employment with all the employees. Further, through a notice dated September 6, 2013, the Commissioner initiated an enquiry against Begonia under the EPF Act for bifurcation of wage for the period January, 2011 to August 2012. Begonia further responded to the Commissioner stating that the Company has filed an appeal before the Employee Provident Fund Appellate Tribunal in a similar matter relating to Lemon Tree Hotels, Chennai and requested the Commissioner to close the proceedings until the final adjudication of the aforementioned appeal. Further, through a letter dated September 28, 2016 Begonia informed the Commissioner that it had been depositing contributions as per the law. The enquiry is currently pending before the Commissioner.

B. **Tax proceedings involving Begonia**

Indirect tax proceedings

There is one indirect tax proceeding against Begonia and the aggregate amount involved in such proceeding (to the extent ascertainable) is ₹ 1.01 million. The nature of this proceeding pertains to alleged incorrect availing of CENVAT credit.

(2) Canary Hotels Private Limited

A. **Pending action by statutory or regulatory authorities against Canary**

1. Pursuant to an order dated April 10, 2017, the National Green Tribunal, New Delhi (the “**NGT**”) issued a show cause notice to persons named in the list of defaulters under the order for violation of environmental laws, particularly Solid Waste Management Rules, 2016, consequent to an environmental compensation liability and prosecution by the pollution control board. The order required the persons named in the list of defaulters to file a reply within two weeks. Our Company was named as a defaulter under the order. The NGT in its order dated May 25, 2017 listed the matter for further hearing and noted that our Company filed a reply to the show cause notice as

required under the order dated April 10, 2017. Further, through an order dated August 24, 2017, the NGT imposed a fine of ₹ 0.05 million on Canary as environmental compensation to be paid for past violations and ordered the Delhi Pollution Control Committee to conduct an inspection of the hotel within two weeks from the date of the order.

2. Through the reports dated September 13, 2007, the Sub-registrar, Ghaziabad noted that Canary purchased four floors at East of Delhi Mall, Delhi being fourth, fifth, sixth, and seventh floors, from CCPL Developers Private Limited and alleged that Canary had not paid proper stamp duty on the transaction. Pursuant to the report, the Collector, Ghaziabad registered a complaint (no. 134 and 135/07-08) in relation to purchase of fifth floor, and complaint (no. 136 /07-08) in relation to purchase of fourth, sixth and seventh floors. In relation to the complaints, inspection was conducted on the premises of Lemon Tree East Delhi Mall. The collector passed orders dated December 31, 2007 and in relation to purchase of fifth floor, ordered Canary to pay an additional stamp duty of ₹ 0.11 million, alongwith a fine of ₹ 0.01 million; and in relation to purchase of fourth, sixth and seventh floors, ordered Canary to pay an additional stamp duty of ₹ 0.39 million alongwith a penalty of ₹ 0.03 million.

Pursuant to the order of the collector, Canary deposited the additional stamp duty, alongwith the prescribed fine and interest. Against the order of the Collector, in relation to acquisition of the fifth floor, the state filed an appeal (No. 325/87/2008-09) before the Upper Collector, Meerut, who pursuant to an order dated October 12, 2009 rejected the appeal. Further, against the order of the Collector, in relation to the acquisition of fourth, sixth and seventh floors, the state filed an appeal (No. 324 of 2007-08) before the Chief Controlling Revenue Authority, Allahabad (Meerut Bench) (“**Revenue Authority**”) who pursuant to an order dated August 8, 2016 ordered the Collector, Ghaziabad to inspect the Lemon Tree, East Delhi Mall for the total constructed area and submit a report by September 8, 2016. Further, Canary filed a written submission in the matter before the Revenue Authority on October 4, 2016 and prayed that the appeal be dismissed.

B. Tax proceedings involving Canary

Indirect tax proceedings

There are three demand notices in relation to value added tax (“**VAT**”), issued against Canary and the aggregate amount involved in such notices (to the extent ascertainable) is ₹ 0.92 million. The nature of these proceedings pertain to incorrect calculation of VAT turnover.

(3) Celsia Hotels Private Limited

Tax proceedings involving Celsia

Direct tax proceedings

There is one direct tax proceeding against Celsia and the aggregate amount involved in such proceeding (to the extent ascertainable) is ₹ 1.64 million. The nature of this proceeding pertains to alleged incorrect computation and deduction on account of provident fund contributions and employee state insurance deposits.

(4) Fleur Hotels Private Limited

A. Tax proceedings involving Fleur

Direct tax proceedings

There are two direct tax proceedings (including one notice for non-deduction of TDS on purchase of immovable property) against Fleur and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 4.45 million. The nature of these proceedings pertain to alleged incorrect computation and deductions on account of interest payments made and short credit of TDS.

Indirect tax proceedings

There is one indirect tax proceeding against Fleur and the aggregate amount involved in such proceeding (to the extent ascertainable) is ₹ 9.24 million. The nature of this proceeding pertains to alleged incorrect availing of CENVAT credit.

B. Material outstanding litigations initiated by Fleur

Pursuant to the order dated March 19, 2015 the Collector of Stamp, Office of the Divisional Commissioner, Delhi (the “**Collector**”) directed Fleur to pay additional stamp duty of ₹ 14.60 million on a scheme of amalgamation sanctioned by the High Court of Delhi on March 18, 2014. Against the order of the Collector, Fleur filed a writ petition (W. P. No. 3788/2015) before the High Court of Delhi challenging the order of the Collector. The High Court of Delhi in an order dated July 19, 2016 permitted Fleur to file an additional affidavit to record the payment of additional stamp duty. Consequently, on August 2, 2016, Fleur filed an additional affidavit bringing on record that it had deposited the additional stamp duty with the revenue department, Mumbai on July 13, 2016. The matter is pending before the High Court of Delhi.

(5) Hyacinth Hotels Private Limited

A. Pending action by statutory or regulatory authorities against Hyacinth

1. Pursuant to a development agreement dated May 25, 2009, Delhi International Airport Private Limited licensed a plot of land in Aerocity, IGI Airport, New Delhi to Hyacinth and gave the possession of the plot to Hyacinth on June 1, 2009. The Airport Authority of India issued a completion certificate to Hyacinth on April 8, 2013. The South Delhi Municipal Corporation (“**SDMC**”) issued a notice dated May 22, 2013 stating that Hyacinth had not filed self-assessment property tax return. Hyacinth replied to the notice through a letter dated July 6, 2013 stating that no vacant land tax, in relation to the licensed plot, for any period from the date of possession onwards was imposable on Hyacinth. Subsequently, SDMC issued an assessment order dated December 23, 2013 stating that vacant land tax is imposed from the date of handing over the possession and determined annual values for the purpose of determination of tax applicable to the lease of land by Hyacinth. Pursuant to the order dated December 23, 2013, SDMC issued a demand notice dated January 6, 2014 stating that Hyacinth is liable to pay property tax amounting to ₹ 6.82 million. Against such order of the SDMC and the demand notice dated January 6, 2014, Hyacinth filed a writ petition before the Delhi High Court stating that SDMC issued demand notices based on assessment dates prior to the date of issuance of completion certificate.
2. In addition to above, there is one pending action by a statutory authority against Hyacinth. For details, see “**Outstanding Litigation and Other Material Developments – Litigation involving our Company – Pending action by statutory or regulatory authorities against our Company**” on page 242.

(6) Inovoa Hotels and Resorts Limited

A. Material outstanding litigations initiated by Inovoa

Inovoa instituted a writ petition (W.P. No. 11863/2011) dated March 21, 2011 against BBMP and others before the High Court of Karnataka challenging the constitutionality of a rule under the Bruhat Bengaluru Mahanagara Palike Property Tax Rules, 2009, levying a uniform rate of property tax on all non-residential properties located within the jurisdiction of the BBMP, irrespective of the nature of utilization of the property and sought quashing of this rule under the Bruhat Bengaluru Mahanagara Palike Rules, 2009. The High Court of Karnataka, by its order dated October 24, 2013, allowed the writ petition and quashed the rule regarding uniform taxation of all non-residential properties. The BBMP filed an appeal (No. 943 of 2014) before the High Court of Karnataka challenging its order dated October 24, 2013.

(7) Manakin Resorts Private Limited

A. Pending action by statutory or regulatory authorities against Manakin

1. The enforcement officer, Employees Provident Fund Organisation, Kochi reported default in payment of dues on omitted wages for the period between May 2012 to October 2012 and dues in respect of nine non-enrolled eligible employees for the same period and consequent evasion of wages by Manakin. The Assistant Provident Fund Commissioner, Kochi (“**Commissioner**”) issued a notice dated February 7, 2013 to Manakin to investigate the violation of the EPF Act, Employees’ Provident Funds Scheme, 1952, Employees’ Pension Scheme, 1995 and Employees’ Deposit Linked insurance Scheme, 1976. Pursuant to the notice, Manakin made appearances before the Commissioner on various dates. The Commissioner, through an order dated October 3, 2013 ordered Manakin to pay ₹ 0.18 million as outstanding dues. Against the order of the Commissioner, Manakin filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi, which through order dated December 11, 2013 admitted the appeal for consideration and stayed the order dated October 3, 2013 passed by the Commissioner.

2. The enforcement officer, Employees Provident Fund Organisation, Kochi reported a default in payment of dues for the period between March 2012 to April 2012 and dues in respect of non-enrolled eligible employees for the period January 2012, to April 2012 by Manakin. The Assistant Provident Fund Commissioner, Kochi (“**Commissioner**”) issued a notice dated June 25, 2012 to Manakin to investigate the violation of the EPF Act, Employees’ Provident Funds Scheme, 1952, Employees’ Pension Scheme, 1995 and Employees’ Deposit Linked Insurance Scheme, 1976. Pursuant to the notice, Manakin made appearances before the Commissioner on various dates. The Commissioner, through an order dated September 5, 2012 ordered Manakin to pay ₹ 0.07 million as outstanding dues. Against the order of the Commissioner, Manakin filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi, which through an order dated November 7, 2012 admitted the appeal for consideration and stayed the order dated September 5, 2012 passed by the Commissioner.
3. The enforcement officer, Employees Provident Fund Organisation, Kochi reported default in payment of dues on omitted wages for the period November 2012 to May 2013 by Manakin. The Assistant Provident Fund Commissioner, Kochi (“**Commissioner**”) issued a notice dated July 31, 2013 to Manakin to investigate the violation of the EPF Act, Employees’ Provident Funds Scheme, 1952, Employees’ Pension Scheme, 1995 and Employees’ Deposit Linked Insurance Scheme, 1976. Pursuant to the notice, Manakin made appearances before the Commissioner on various dates. The Commissioner, through an order dated October 29, 2013 ordered Manakin to pay ₹ 0.22 million as outstanding dues. Against the order of the Commissioner, Manakin filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi, which through an order dated January 2, 2014 admitted the appeal for consideration and stayed the order dated October 29, 2013 passed by the Commissioner.
4. The Assistant Controller, Legal Metrology Department, Alaphuza, registered an FIR against Manakin for alleged violation of certain provisions of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011, for charging a price above the maximum retail price for packaged water bottles sold at Lemon Tree Hotel, Vembaland Lake Resort, Kerala and issued a notice dated June 20, 2017. Manakin replied to the Legal Metrology Department through the letter dated August 10, 2017.

B. Tax proceedings involving Manakin

Indirect tax proceedings

There are three indirect tax proceedings (including one demand notice in relation to VAT payments on interstate purchases) against Manakin and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 2.68 million. The nature of these proceedings pertain to incorrect computation of VAT and luxury tax payable and recovery of customs duty on products imported.

(8) Meringue Hotels Private Limited

A. Pending action by statutory or regulatory authorities against Meringue

Meringue, in 2006, had purchased a plot of land along with a factory unit on it, from Mistry Prabhudas Manji Engineering Private Limited. It had been represented to Meringue that the factory unit on the land had been shut since December 1998 due to illegal strikes by the workmen. The recovery officer of Employee State Insurance Corporation, Mumbai, issued a notice dated October 12, 2015 to Meringue informing it that ₹ 2.16 million is due and payable towards arrears of contribution/ interest/ damages under the ESIC Act for the period from April 1, 1992 up to March 31, 1998 and that Meringue has been declared as a deemed defaulter under the ESIC Act. The notice also asked Meringue to show cause as to why a warrant of arrest should not be issued against it. Meringue filed an application (No. 25 of 2015) dated December 21, 2015 before the Employee’s State Insurance Court, Mumbai (“**ESIC Court**”) against the show cause notice issued by the recovery officer on the grounds that the show cause notice is not valid as it is inconsistent with the earlier order of the Court dated October 21, 2011 which required the ESIC to re-calculate the amount payable by Mistry Prabhudas Manji Engineering Private Limited after adjusting the sum already paid. Meringue requested the ESIC Court to grant an interim stay on enforcement of the aforementioned notice. Further, Meringue filed an application (No. 14 of 2016) before the ESIC Court for declaration that the notice dated October 12, 2015 is null and void as it was issued in violation of the order dated October 21, 2011 of the ESIC Court. The ESIC has filed its reply to the application on September 14, 2016.

(9) Nightingale Hotels Private Limited

A. Tax proceedings involving Nightingale

Direct tax proceedings

There is one direct tax proceeding against Nightingale and the aggregate amount involved in such proceeding (to the extent ascertainable) is ₹ 1.11 million (including penalty of ₹ 0.39 million). The nature of these proceedings pertain to alleged incorrect computation of income and deductions on account of interest and bank charges paid.

(10) Oriole Dr. Fresh Hotels Private Limited

A. Material outstanding litigations initiated by Oriole

Oriole filed an arbitration petition (arbitration petition No. 160/2012), against the Delhi Developmental Authority (the “DDA”) seeking quashing of invocation of a bank guarantee amounting to ₹ 10.28 million by DDA, recovery of ₹ 2.50 million as compensation alleging harassment and mental agony, recovery of ₹ 1 million towards cost of proceedings, and interest at the rate of 18% on blocked amount from December 28, 2010 till the date of return of pay order. This dispute pertains to an agreement for construction of a hotel by Oriole in Kondli, Delhi, entered into with DDA, as a successful bidder in an auction process conducted for this purpose. As per such agreement Oriole was required to provide a bank guarantee of ₹ 10.28 million as performance security. The DDA allegedly sought to encash the bank guarantee on December 21, 2011 on grounds of non-performance of contractual obligations by Oriole. Consequently, on March 12, 2012 Oriole sent a notice of commencement of arbitration to DDA and on May 31, 2012, Oriole obtained an injunction (OMP No. 1/2012) from the High Court of Delhi restraining DDA and Axis Bank Limited from proceeding with the encashment of the bank guarantee until the completion of the arbitration proceedings. An arbitral tribunal was constituted on September 28, 2012 and Oriole filed its statement of claims on November 8, 2012.

(11) Sukhsagar Complexes Private Limited

A. Tax proceedings involving Sukhsagar

Indirect tax proceedings

There are two indirect tax proceeding against Sukhsagar and the aggregate amount involved in the proceeding (to the extent ascertainable) is ₹ 5.17 million. The nature of the proceeding pertain to alleged non-payment of interest on reversal of service tax credit and for non-payment of service tax on in-room dining services.

B. Pending action by statutory or regulatory authorities against Sukhsagar

The Commissioner, Labour Department, Jaipur issued a notice dated April 21, 2017 to Sukhsagar under the Building and other Construction Workers’ (Regulations of employment and conditions of service) Act, 1996 read with Rajasthan Building and other Construction Worker’s Rules 2009 and Building and Other Construction Workers’ Welfare Cess Act, 1996 read with the Building and Other Construction Workers’ Welfare Cess Rules, 1998 in relation to non-registration and non-payment of cess for construction work. Pursuant to the aforesaid notice, our Company filed its response with the commissioner on July 28, 2017. The matter is currently pending.

C. Material outstanding litigations initiated against Sukhsagar

Malviya National Institute of Technology, Jaipur (“MNIT”) filed an application before the Sub-divisional Officer (“SDO”), Jaipur claiming that a portion of the land on which Red Fox Hotel, Jaipur has been constructed is owned by MNIT. Pursuant to an order dated December 31, 1999, the SDO, Jaipur, recorded certain land bearing khasra number 102/433 in the name of Gulab Chand and certain others, while removing the name of Malviya Regional Engineering College, the predecessor entity to MNIT. Against the order of the SDO, MNIT filed an appeal (appeal no. 327/2013) before the Divisional Commissioner, Jaipur (“Commissioner”) against Gulab Chand, Girdharilal Maninar and Gopal Das Johar (being the previous owners of the property sold to Sukhsagar) and also, among others, Sukhsagar, stating that Sukhsagar and Devashish Builders Private Limited had encroached on the land belonging to MNIT. The appeal was dismissed by the Commissioner pursuant to an order dated January 8, 2013 and the order passed by the SDO dated December 31, 1999, was confirmed. Subsequently, Sukhsagar filed a review petition before the Commissioner challenging the order dated January 8, 2013 on grounds of certain procedural irregularities. The Commissioner, through an order dated September 4, 2013, recalled its previous order dated January 8, 2013. The Commissioner eventually dismissed the appeal filed by MNIT through an order dated September 11, 2013. MNIT filed a writ petition before the High Court of Rajasthan challenging the order of the Commissioner dated September 11, 2013.

III. LITIGATION INVOLVING OUR DIRECTORS

A. Outstanding criminal litigation involving our Directors

Criminal proceedings against our Directors

Proceedings against Mr. Ravi Kant Jaipuria

Mr. Nand Gopal, filed a criminal complaint (complaint no. 824/99) dated June 7, 1999 in the court of Additional Chief Judicial Magistrate, Najibabad (“**Magistrate**”) against, among others, the chairman of Devyani Beverages Limited alleging that Devyani Beverages Limited failed to return the security deposit of ₹ 0.03 million and, therefore, committed an offence of criminal breach of trust. Mr. Ravi Kant Jaipuria was the chairman of Devyani Beverages Limited at the time of alleged commission of offence. Pursuant to an order dated December 15, 1999, the Magistrate issued summons against certain officers of Devyani Beverages Limited, including the chairman, Mr. Ravi Kant Jaipuria.

Further, Devyani Beverages Limited filed a petition (petition no. 11699/2005) before the Allahabad High Court to quash the criminal complaint (Complaint No. 824/99) filed by Mr. Nand Gopal and consequently, the Allahabad High Court stayed the proceedings before the Additional Chief Judicial Magistrate, Najibabad

Proceedings against Mr. Ashish Kumar Guha

The Central Bureau of Investigation lodged an FIR (No. DP/JDH/2014/2920/RC/JDH/2014/A/0008) dated August 13, 2014 against Mr. Ashish Kumar Guha, being the managing director of Lazard India Limited, in matter concerning disinvestment of Laxmi Vilas Palace Hotel, Udaipur, pursuant to a sale to Bharat Hotel Private Limited, in which Lazard India Limited was financial advisor to the Government of India. The Central Bureau of Investigation has not filed a chargesheet in the matter.

B. Pending action by statutory or regulatory authorities against our Directors

Pending actions against Mr. Niten Malhan

A notice dated August 20, 2009, from the Office of the Director General of Investigations and Registration (“**DGIR**”) in relation to preliminary investigation into the unfair trade practices by Sintex Industries Limited (“**Sintex**”) and information required in relation to the same was received by Mr. Niten Malhan who responded to the notice through letters dated August 27, 2009 and August 31, 2009 filed with the DGIR, and clarified that he had ceased to be the director on the board of Sintex on November 30, 2007, which date was prior to the date on which the DGIR had sent notices to Sintex for furnishing information in relation to the preliminary investigation. Subsequent to the responses, Mr. Niten Malhan has not received any notice and/or response from the DGIR in this regard.

Pending actions against Mr. Gopal Sitaram Jiwaraajka

SEBI passed an order dated March 4, 2015 directing Mr. Gopal Sitaram Jiwaraajka and others, i.e. the promoters of Salora International Limited (“**Target Company**”) to make an open offer for further acquisition of shares from the public shareholders of the Target Company within 45 days of the said order, together with interest at the rate of 10% per annum from July 3, 2009, for alleged non-compliance with the conditions stipulated for availing the benefit of permissible creeping acquisition under Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. In April 2015, Mr. Gopal Sitaram Jiwaraajka, along with others, filed an appeal (No. 265 of 2015) before the Securities Appellate Tribunal challenging SEBI’s order dated March 4, 2015, which is currently pending adjudication.

C. Tax proceedings involving our Directors

Proceedings involving Mr. Ravi Kant Jaipuria

There are two direct tax proceedings pending against Mr. Ravi Kant Jaipuria before the Income Tax Appellate Tribunal involving an aggregate amount of ₹ 8.25 million pertaining to alleged concealment of income and non-filing of income tax.

D. Other material outstanding litigation involving our Directors

Litigation involving Mr. Niten Malhan

1. Disable Welfare Trust of India and Kanubhai Hasmukhbhai Tailor filed a special civil suit (No. 376 of 2012) before Principal Senior Civil Judge, Surat against, among others, D.B. Corporation Limited (“**DBCL**”) and Mr. Niten Malhan alleging that DBCL published defamatory news and stories in the Surat edition of Divya Bhaskar, a daily newspaper published by DBCL and prayed to the Court to restrain DBCL from publishing such news and also prayed for damages of ₹ 100 million. The matter is currently pending before the Principal Senior Civil Judge, Surat.
2. Bombay Municipal Corporation (“**BMC**”), sent notices to Dr. Sushil Kanubhai Shah, Director of Metropolis Healthcare Limited (“**MHL**”), stating therein that MHL had carried out the development work at ground floor that was not in accordance with sanction plan and advised to restore the work as per approved plan. On the basis of the notices sent by BMC, Industrial Bhavan (Worli) Limited (“**IBWL**”) filed a civil suit (No. 2530 of 2011) before the Bombay City Civil Court, Mumbai against, amongst others, Mr. Niten Malhan, being the director of MHL and Municipal Corporation of Greater Mumbai for alleged unauthorized construction of mezzanine floor at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai, 400 030.
3. Industrial Bhavan (Worli) Limited filed a civil suit (No. 2531 of 2011) before the Bombay City Civil Court, Mumbai against, amongst others, Mr. Niten Malhan, being a director of Metropolis Healthcare Limited and Municipal Corporation of Greater Mumbai for restraining the use of premises at Industrial Bhavan, Mumbai, among others, as a pathological laboratory or super specialised research laboratory, alleging that the plot was identified for usage as general industries I-2 zone, as defined under the Development Control Regulations for Greater Bombay, 1991.

IV. LITIGATION INVOLVING OUR GROUP COMPANIES

Toucan Real Estates Private Limited

Tax proceedings involving Toucan

Direct tax proceedings

There are two direct tax proceedings that are pending against Toucan and the aggregate amount involved in such proceedings (to the extent ascertainable) is ₹ 61.72 million. The nature of these proceedings pertain to alleged incorrect computation and deductions on account of interest payments made and short credit of TDS.

OUTSTANDING LITIGATION AGAINST ANY OTHER PERSONS THE OUTCOME OF WHICH COULD HAVE AN ADVERSE EFFECT ON US

The Chandigarh Pollution Control Board (“**CPCC**”) issued a show cause notice dated July 5, 2017 to Hind Inn and Hotels Limited (“**Hind Inn**”), where we operate Red Fox Hotel, Chandigarh, requiring it to show cause why an action should not be taken against Hind Inn for violation of the consent order issued to it under the Air Act and the Water Act due to non-submission of waste water test report. Hind Inn submitted its reply to the show cause notice on July 20, 2017 and requested the CPCC for one week time to submit the water testing report. We have not received any further communication from the CPCC in this regard.

INQUIRIES, INSPECTIONS OR INVESTIGATIONS UNDER COMPANIES ACT

Except as disclosed below, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five years immediately preceding the year of issue of the Draft Red Herring Prospectus in the case of our Company and Subsidiaries:

- A. The RoC issued a show-cause notice to our Company on June 18, 2015 in relation to non-appointment of a woman director on our Board, as required under the Companies Act 2013. Our Company submitted its response to the RoC on June 22, 2015 informing that the Company has already complied with the requirement to appoint woman director on its Board. We have not received any further communication from the RoC in this regard.

- B. The RoC issued a show-cause notice dated October 18, 2016 to our Company requiring our Company to provide certain documents in relation to expenditure required to be incurred on corporate social responsibility (“**CSR**”) activities for Fiscal 2015. Our Company submitted its response to the show-cause notice on November 7, 2016 informing that no CSR activity was undertaken by the Company for Fiscal 2015 as the Company did not have average net profit in the fiscal year and enclosed relevant annexures and supporting documents along-with the response.
- C. The RoC issued a show-cause notice to Celsia dated May 17, 2016 requiring Celsia to provide certain documents in relation to expenditure required to be incurred on corporate social responsibility (“**CSR**”) activities for Fiscal 2015. Celsia submitted its response to the show cause notice on June 4, 2016. Subsequently, the RoC issued a show cause notice dated June 14, 2016 in relation to prosecution against the board of directors of Celsia under Section 450 of the Companies Act 2013. In relation to the show cause notice dated June 14, 2016, Celsia submitted its response to the RoC on June 30, 2016 and informed the RoC that it is in the process of filing compounding application. Celsia filed an application dated August 22, 2016 before the National Company Law Tribunal (“**NCLT**”) for compounding of offence. The NCLT through an order dated August 17, 2017 imposed a fine of ₹ 0.5 million on Celsia, and also of ₹ 0.10 million on certain officers of Celsia for past default while noting that Celsia had cured the default and had decided how CSR amount would be spent on projects/activities. Celsia intends to file an appeal against the order of the NCLT.
- D. The RoC issued a show-cause notice dated September 22, 2016 to Fleur requiring Fleur to provide certain documents in relation to expenditure required to be incurred on undertaking corporate social responsibility activities for Fiscal 2015. Fleur submitted its response to the show cause notice on October 6, 2016 informing the RoC that it was not required to spend any amount on corporate social responsibility activities for Fiscal 2015 and enclosing relevant annexures and supporting documents.

Material developments since the last balance sheet date

Except as stated in “***Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2017***” on page 238, no circumstances have arisen since March 31, 2017, the date of the last restated financial information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or earnings taken as a whole, the value of our consolidated assets or our ability to pay our material liabilities within the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Our Company can undertake the Offer and our Company and Subsidiaries can undertake their respective current business activities, 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 activities. 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 161.

I. Incorporation details of our Company

1. Certificate of incorporation dated June 2, 1992 issued to our Company by the RoC in the name of ‘P.M.G Hotels Private Limited’.
2. Fresh certificate of incorporation dated January 7, 2003 issued to our Company by the RoC on account of the change in name from ‘P.M.G Hotels Private Limited’ to ‘Krizm Hotels Private Limited’.
3. Fresh certificate of incorporation dated June 10, 2010 issued to our Company by the RoC on account of the change in name from ‘Krizm Hotels Private Limited’ to ‘Lemon Tree Hotels Private Limited’.
4. Fresh certificate of incorporation dated October 22, 2012 issued by the RoC pursuant to the conversion of our Company to a public limited company and consequential change in our name from ‘Lemon Tree Hotels Private Limited’ to ‘Lemon Tree 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 257.

II. Approvals in relation to operations of our Company

We require various approvals to carry on our business 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 AACCK1698R.
- (ii) The tax deduction account number of our Company is DELK05143F.
- (iii) The import export code for our Company is 0504038362.
- (iv) The goods and services tax identification number of our Company is 07AACCK1698R1ZR.

B. Labour related approvals

- (i) Under the provisions of the EPF Act, as amended, our Company has been allotted EPF code number DL/28491.
- (ii) Under the ESI Act our Company has been allotted the ESI registration number 20000614260001101.

C. Approvals in relation to our operations

As of July 31, 2017 we have a portfolio of 19 owned hotels, 3 owned hotels located on leased or licensed land and 5 leased hotels. We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business in India. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. 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.

An indicative list of the material approvals required by us for the operation of our owned and 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 & 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 owned or leased hotels, we are required to obtain license to serve 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 Air Act and Water Act and authorisation for collection, storage and disposal of hazardous waste under the Hazardous Waste Rules in respect of our owned and leased hotels.
6. **No Objection Certificates from police and fire department:** We are required to obtain a no objection certificate (“NOC”) from the relevant police and fire department, as applicable in the concerned jurisdictions of our hotels, to continue operations at our owned and leased hotels. The no objection certificates may be subject to renewal, as may be applicable.

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 twenty contract labourers in our hotels, 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 owned and leased hotels are situated.

In respect of our owned and leased hotels that are operational, as of the date of this Draft Red Herring Prospectus, we currently hold all the aforementioned Key Approvals as required, except the following Key Approvals in respect of which we have made applications before relevant authorities to obtain the registrations or renewals of Key Approvals that have expired:

Begonia Hotels Private Limited – Lemon Tree Amarante Beach Resorts, Goa

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	NOC Fire	Renewal	Directorate of Fire and Emergency Services	-	February 22, 2017
2.	Trade License	Renewal	Village Panchayat, Candolim, Goa	-	April 24, 2017

Fleur Hotels Private Limited – Lemon Tree Hotel, Candolim, Goa

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	Trade License	Renewal	Village Panchayat, Candolim, Goa	-	April 24, 2017
2.	NOC Fire	Renewal	Directorate of Fire and Emergency Services	-	February 22, 2017

Inovoa Hotels and Resorts Limited – Lemon Tree Hotel, Whitefield Bengaluru

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application

1.	Trade License	Renewal	Bruhat Bangalore Mahanagar Palike	545248	March 17, 2017

Lemon Tree Hotels Limited – Lemon Tree Hotel, Ahmedabad

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	NOC Police	Renewal	Deputy Commissioner of Police	–	December 5, 2016
2.	NOC Fire	Renewal	Municipal Corporation of Ahmedabad	–	September 7, 2017

Lemon Tree Hotels Limited – Lemon Tree Hotel, Chennai

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
2.	Liquor License	Renewal	Commissioner, Prohibition and Excise, Chennai	-	February 24, 2017

Lemon Tree Hotels Premier – Leisure Valley, Gurugram

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	NOC Fire	Renewal	Municipal Corporation Gurugram	201705165752	May 16, 2017
2.	Trade License	Registration	Municipal Corporation	–	March 7, 2017

Lemon Tree Hotels Premier – Ulsoor Lake, Bengaluru

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	Trade License	Renewal	Bruhat Bangalore Mahanagar Palike	Acknowledgment No. 546936	March 18, 2017

Manakin Resorts Private Limited – Vembanad Lake Resort, Kerala

Sl. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	FSSAI Registration	Renewal	Commissioner of Food Safety, Kerala	20170509140547510	May 11, 2017
2.	NOC Pollution	Renewal	Kerala State Pollution Control Board	5501329	June 22, 2017

Sukhsagar Complexes Private Limited – Red Fox Hotels, Jaipur

S. No.	Description	Registration / Renewal	Authority	Reference Number	Date of Application
1.	Authorisation under Hazardous Waste Rules	Renewal	Rajasthan State Pollution Control Board	144908	January 30, 2016

In the case of hotels that we construct on land owned/leased by us, 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 Airports Authority of India and forest department, Consent to Establish and environment clearance where applicable:** We are required to obtain NOC from various authorities such as the Airports Authority India, and the central government, as applicable in the concerned jurisdictions. NOC is required from the central government under the Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 for use of forest land for any non-forest purpose. NOC is required under the AAI Act 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 and 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 a NOC from the relevant police and fire department, as applicable in the concerned jurisdictions of our hotels, to commence operations at our owned and leased hotels.

Further, in respect of our forthcoming owned and leased hotels that are currently under construction by us, we apply for and receive relevant approvals, depending upon the stage of construction of the hotel.

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, 42, 32, 30 and 8 with the Registrar of Trademarks under the Trade Marks

Act, including    

Further, our Company and Subsidiaries have also made applications seeking registration for trademarks under various classes, with the Registrar of Trademarks under the Trade Marks Act.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorized the Offer by a resolution dated June 15, 2017.
- The IPO Committee has, on September 19, 2017, approved this Draft Red Herring Prospectus.

Approvals from the Selling Shareholders

The Selling Shareholders have severally and not jointly specifically confirmed and approved the offer for sale of their respective proportion of Offered Shares as set out below:

Sl. No.	Name of the Selling Shareholder	Date of Board Resolution/ Consent Letter	Maximum number of Equity Shares offered for sale
1.	Maplewood	August 31, 2017	94,500,053
2.	RJ Corp	July 17, 2017	25,320,584
3.	RKJ HUF	August 28, 2017	13,999,416
4.	Five Star	August 28, 2017	23,649,816
5.	Palms International	August 25, 2017	19,159,911
6.	Citron	August 25, 2017	10,317,600
7.	Whispering Resorts	July 10, 2017	6,986,180
8.	Swift Builders	July 10, 2017	883,440
9.	Mr. Satish Chander Kohli	July 26, 2017	480,000
10.	Mr. Raj Pal Gandhi	August 10, 2017	500,000

Each Selling Shareholder, severally and not jointly, specifically confirms that, as required under Regulation 26(6) of the SEBI ICDR Regulations, it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus. Therefore, the Equity Shares offered by the Selling Shareholders 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

None of our Company, our Subsidiaries, our Promoters, our Promoter Group, our Directors, Group Companies, persons in control of our Company or persons in control of our corporate Promoter, SMSPL are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, except as disclosed in “**Outstanding Litigation and Other Material Developments – Litigation Involving our Directors**” on page 250, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Each Selling Shareholder, severally and not jointly, specifically confirms that it has not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other governmental authority in India. Further, each Selling Shareholder, severally and not jointly, specifically confirms that it has not been classified as a wilful defaulter, as defined under the SEBI ICDR Regulations.

None of our Directors are in any manner associated with the securities market in any manner, including securities market related business and no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, nor our Subsidiaries, nor our Promoters, nor any member of our Promoter Group nor our Group Companies, nor our Directors, nor the relatives (as per the Companies Act) of our Promoter, Mr. Patanjali Govind Keswani, are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI ICDR Regulations, and as is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each). As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of net tangible assets being monetary assets, is not applicable to the Offer;
- our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- our Company has a pre-Offer net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- the proposed Offer size does not exceed five times the pre-Offer net worth as per the audited accounts for the year ended March 31, 2017; and
- our Company has not changed its name during the last one year.

Our Company's net tangible assets, pre-tax operating profit and net worth derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as at and for the last five Fiscals are set forth below:

(₹ in million)						
Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	
Net tangible assets ⁽¹⁾	12,336.70	12,431.98	12,304.42	10,781.26	10,505.38	
Pre-tax operating profit/ (loss) ⁽²⁾	653.54	489.05	(9.81)	(76.28)	137.31	
Net worth ⁽³⁾	12,369.34	12,376.33	12,324.59	10,887.91	10,472.94	

Notes:

- (1) 'Net tangible assets' means the restated net assets excluding deferred tax assets/ liabilities (net), intangible assets, intangibles under development, goodwill on consolidation and non controlling interest.
- (2) 'Pre-tax operating profit' is defined as restated profit before tax excluding restated other income but before exceptional items and finance cost. The management has considered Fiscals 2017, 2016 and 2013 as the three most profitable years of the Company out of the immediately preceding five years.
- (3) 'Net worth' means the aggregate of the paid-up share capital and includes securities premium reserve, retained earnings, general reserve, share based payments, capital redemption reserve and non-controlling interest.

Further, in accordance with Regulation 26(4) 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 by our Company. 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. 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 has been caused solely and directly by an act or omission attributable to such Selling Shareholder.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Other than (i) listing fee, which shall be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, which shall be solely borne by the respective Selling Shareholders, upon commencement of listing and trading of our Equity Shares on the Stock Exchanges pursuant to the Offer, the fees and expenses relating to the Offer shall be borne by the Selling Shareholders, on a pro-rata basis, in proportion to the respective Offered Shares sold by each Selling Shareholder pursuant to the Offer, in accordance with applicable law.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE 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 THE DRAFT RED HERRING PROSPECTUS. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CLSA INDIA PRIVATE LIMITED AND J.P. MORGAN INDIA PRIVATE LIMITED AND THE BOOK RUNNING LEAD MANAGER, BEING YES SECURITIES (INDIA) LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED 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, AND EACH SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGER, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CLSA INDIA PRIVATE LIMITED AND J.P. MORGAN INDIA PRIVATE LIMITED AND THE BOOK RUNNING LEAD MANAGER, BEING YES SECURITIES (INDIA) LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 19, 2017 WHICH READS AS FOLLOWS:

WE, THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 19, 2017 PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956, TO THE EXTENT APPLICABLE, THE COMPANIES ACT 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATIONS ARE VALID;
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE;
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS; COMPLIED WITH
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS; COMPLIED WITH
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – NOT APPLICABLE;
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION; COMPLIED WITH TO THE EXTENT APPLICABLE;
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT 2013, AS NOTIFIED;
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY;
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)

REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION; COMPLIED WITH

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS: COMPLIED WITH
 - a. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHILE MAKING THE OFFER - NOTED FOR COMPLIANCE;
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC; COMPLIED WITH
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY; COMPLIED WITH
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE BOOK RUNNING LEAD MANAGER (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR; COMPLIED WITH
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, AS PER THE INDIAN ACCOUNTING STANDARD 24 IN THE FINANCIAL STATEMENTS AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY O.P. BAGLA & CO., CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED SEPTEMBER 19, 2017;
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorized the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of 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 proposed Offer. SEBI further reserves the right to take up at any point of time, with the GCBRLMs and the BRLM, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act 2013.

Price Information of past issues handled by the GCBRLMs and the BRLM

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

Sl. No.	Issue name	Issue size (₹ in crore)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th Calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th Calendar day from listing
1.	Security and Intelligence Services (India) Limited	779.58	815	August 10, 2017	879.80	-3.29%[+ 1.17%]	-	-
2.	CL Educate Limited	238.95	502	March 31, 2017	402.00	-8.98%[+ 1.42%]	-15.36%[+3.46%]	-
3.	Avenue Supermarts Limited	1,870.00	299	March 21, 2017	600.00	+145.08%[- 0.33%]	+167.59%[+4.97%]	+263.80%[+10.42%]
4.	Laurus Labs Limited ⁽¹⁾	1,330.50	428	December 19, 2016	489.90	+11.44%[+3.62%]	+23.97%[+13.03%]	+41.43%[+18.31%]
5.	Varun Beverages Limited	1,112.50	445	November 8, 2016	430.00	-7.72%[-5.17%]	-11.49%[+2.31%]	+8.89%[+8.68%]
6.	PNB Housing Finance Limited ⁽²⁾	3,000.00	775	November 7, 2016	860.00	+11.70%[-4.16%]	+21.28%[+2.87%]	+70.50%[+9.28%]
7.	L&T Technology Services Limited	894.40	860	September 23, 2016	920.00	-0.85%[-1.57%]	-8.54%[-8.72%]	-9.55%[+3.28%]
8.	RBL Bank Limited	1,212.97	225	August 31, 2016	274.20	+27.07%[-2.22%]	+56.98%[-7.50%]	+103.07%[+1.74%]
9.	Larsen & Toubro Infotech Limited ⁽³⁾	1,236.38	710	July 21, 2016	667.00	-6.39%[+1.84%]	-12.44%[+1.97%]	-4.21%[-1.14%]
10.	Mahanagar Gas Limited ⁽⁴⁾	1,038.88	421	July 1, 2016	540.00	+20.86%[+3.72%]	+57.15%[+5.00%]	+83.71%[-3.55%]
11.	Parag Milk Foods Limited ⁽⁵⁾	750.54	215	May 19, 2016	217.50	+17.07%[+4.97%]	+48.67%[+11.04%]	+38.93%[+6.59%]
12.	Ujjivan Financial Services Limited	882.50	210	May 10, 2016	231.90	+72.38%[+4.88%]	+120.90%[+10.08%]	+98.31%[+6.92%]
13.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32%[+1.45%]	-19.98%[+4.65%]	-1.31%[+14.17%]
14.	Dr. Lal PathLabs Limited ⁽⁶⁾	631.91	550	December 23, 2015	720.00	+32.54%[-7.49%]	+66.95%[-2.06%]	+63.13%[+3.87%]
15.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69%[-1.35%]	+20.78%[-10.58%]	+24.97%[+0.11%]
16.	Interglobe Aviation Limited ⁽⁷⁾	3,008.50	765	November 10, 2015	855.80	+32.39%[-2.20%]	+9.41%[-3.78%]	+40.59%[-0.64%]
17.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42%[-1.19%]	-19.73%[-6.05%]	-20.98%[-2.50%]
18.	Sadbhav Infrastructure Project Limited	491.66	103	September 16, 2015	111.00	-2.28%[+3.55%]	-5.63%[-3.15%]	-12.67%[-4.92%]
19.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36%[+0.98%]	-4.63%[+0.74%]	-10.65%[-7.15%]
20.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20%[+2.83%]	+36.53%[-2.11%]	+58.34%[-6.45%]
21.	Adlabs Entertainment Limited ⁽⁸⁾	374.59	180	April 6, 2015	162.20	-18.36%[-3.87%]	-12.08%[-2.02%]	-38.39%[-8.19%]

Source: www.nseindia.com

Notes:

- In Laurus Labs Limited, the issue price to employees was ₹ 388 per equity share after a discount of ₹ 40 per equity share. The Anchor Investor Issue price was ₹ 428 per equity share.
 - In PNB Housing Finance Limited, the issue price to employees was ₹ 700 per equity share after a discount of ₹ 75 per equity share. The Anchor Investor Issue price was ₹ 775 per equity share.
 - In Larsen & Toubro Infotech Limited, the issue price to retail individual investor was ₹ 700 per equity share after a discount of ₹ 10 per equity share. The Anchor Investor Issue price was ₹ 710 per equity share.
 - In Mahanagar Gas Limited, the issue price to employees was ₹ 383 per equity share after a discount of ₹ 38 per equity share. The Anchor Investor Issue price was ₹ 421 per equity share.
 - In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹ 203 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 227 per equity share.
 - In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹ 535 per equity share after a discount of ₹ 15 per equity share. The Anchor Investor Issue price was ₹ 550 per equity share.
 - In Interglobe Aviation Limited, the issue price to employees was ₹ 688.50 per equity share after a discount of ₹ 76.5 per equity share. The Anchor Investor Issue price was ₹ 765 per equity share.
 - In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.
 - In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
 - Nifty is considered as the benchmark index.
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 funds raised (₹ in Crores)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018*	1	779.58	-	-	1	-	-	-	-	-	-	-	-	-
2016-2017	11	13,567.63	-	-	4	2	1	4	-	-	2	5	2	1
2015-2016	9	7,487.69	-	-	5	-	2	2	-	1	4	2	1	1

*As on the date of this Draft Red Herring Prospectus

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

Sl. 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 day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th Calendar day from listing
1.	Varun Beverages Limited ¹	11,125.00	445.00	November 8, 2016	430.00	-7.72%, [-5.17%]	-9.36%, [3.01%]	10.60%, [9.02%]
2.	ICICI Prudential Life Insurance Company Limited ²	60,567.91	334.00	September 29, 2016	330.00	-7.60%, [+0.54%]	-11.54%, [-6.50%]	12.31%, [5.28%]

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 next 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 funds raised (₹ in million)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016-2017	2	71,692.91	-	-	2	-	-	-	-	-	-	-	-	2
2015-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: For 2017-18, the information is as on the date of this Offer Document

J.P. Morgan 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 J.P. Morgan India Private Limited

Sl. 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 day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th Calendar day from listing
1.	InterGlobe Aviation Limited ¹	30,171.4	765.00	November 10, 2015	855.80	32.4%, [-3.8%]	7.8%, [-6.7%]	40.8%, [-0.6%]
2.	Alkem Laboratories Limited ²	13,477.6	1,050.00	December 23, 2015	1,380.00	30.3%, [-6.5%]	28.6%, [-1.1%]	31.9%, [5.8%]
3.	Quick Heal Technologies Limited	4,512.5	321.00	February 18, 2016	305.00	-31.6%, [7.0%]	-20.0%, [11.0%]	-24.2%, [21.6%]
4.	PNB Housing Finance Limited ³	30,000.0	775.00	November 7, 2016	860.00	11.7%, [-3.4%]	26.9%, [4.4%]	70.5%, [10.1%]

Source: www.nseindia.com

¹Price for eligible employees was INR 688.50 per equity share

²Discount of INR 100 per equity share to the offer price offered to eligible employees

³Discount of INR 75 per equity share to the offer price offered to eligible employees

Notes:

- a. The S&P CNX NIFTY is considered as the Benchmark Index.
- b. Price on NSE is considered for all of the above calculation
- c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered

- d. Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively
- e. Pricing Performance for the company is calculated as per the final offer price
- f. Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date
- g. Issue size as per the baiss of allotment

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 J.P. Morgan India Private Limited

Financial year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016-2017	1	30,000.0	-	-	-	-	-	1	-	-	-	1	-	-
2015-2016	3	48,161.5	-	1	-	-	2	-	-	-	1	-	2	-

Note: In the event that any day falls on a holiday, the price/ index of the next trading day has been considered.
The information for each of the financial years is based on issues listed during such financial year.

YES Securities (India) Limited

1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by YES Securities (India) Limited

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th Calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th Calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th Calendar day from listing
1.	Quesst Corp Limited	4,000.00	317.00	July 12, 2016	500.00	+67.93% - change in closing price; +0.83% - change in closing benchmark	+94.59% - change in closing price; +2.20% - change in closing benchmark	+110.36% - change in closing price; -3.34% - change in closing benchmark
2.	Varun Beverages Limited	11,125.00	445.00	November 8, 2016	430.00	-5.00% - change in closing price; -3.47% - change in closing benchmark	-9.36% - change in closing price; +3.01% - change in closing benchmark	+10.60% - change in closing price; +9.02% - change in closing benchmark
3.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% - change in closing price; +5.84% - change in closing benchmark	-	-
4.	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-13.32% - change in closing price; +4.16% - change in closing benchmark	-	-
5.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-1.88% - change in closing price; +1.89% - change in closing benchmark	-	-
6.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	-	-	-

Notes:

- Benchmark Index taken as CNX NIFTY
- Price on NSE is considered for all of the above calculations
- % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.
- The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day has been considered for the computation.

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 YES Securities (India) Limited

Financial year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018	4	23,876.50	-	-	2	1	-	-	-	-	-	-	-	-
2016-2017	2	15,125.00	-	-	1	1	-	-	-	-	-	1	-	1
2015-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.
- The information for the financial year is based on issue listed during such financial year.

Track record of past issues handled by the GCBRLMs and the BRLM

For details regarding the track record of the GCBRLMs and the BRLM, as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the GCBRLMs and the BRLM mentioned below.

GCBRLMs/ BRLM	Website
Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
CLSA India Private Limited	www.india.clsa.com
J.P. Morgan India Private Limited	www.jpmypl.com
YES Securities (India) Limited	www.yesinvest.in

Caution – Disclaimer from our Company, our Directors, the Selling Shareholders, the GCBRLMs and the BRLM

Our Company, our Directors, the GCBRLMs and the BRLM 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 instance and anyone placing reliance on any other source of information, including our website, www.lemontreehotels.com, or any website of any of the members of our Promoter Group, Subsidiaries, Group Companies or any affiliate of our Company or any of the Selling Shareholders, would be doing so at his or her own risk. Each Selling Shareholder, their respective directors, affiliates, associates and officers accept no responsibility for any statements made or undertakings provided other than those made by the respective Selling Shareholders in relation to themselves and/or the Equity Shares offered by such Selling Shareholder through the Offer for Sale.

The GCBRLMs and the BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders, the GCBRLMs and the BRLM to the Bidders and public at large and no selective or additional information would be made 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. Each of the Selling Shareholders (severally and not jointly) will ensure that Bidders in India are informed of material developments in relation to the statements relating to and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to it or its respective portion of the Offered Shares in the Red Herring Prospectus until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer by the Stock Exchanges.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The GCBRLMs, the BRLM and their respective associates may engage in transactions with, and perform services for our Company, the Promoters, members of the Promoter Group, Group Companies, Subsidiaries, the Selling Shareholders and our respective affiliates or associates 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 or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in future receive compensation.

Bidders that bid in the Offer will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

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.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Mumbai, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below.

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

Listing

Applications have been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered 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 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 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. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely or directly attributable to an act or omission of such Selling Shareholder.

Each Selling Shareholder, severally and not jointly, undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such Selling Shareholder to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

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 Chief Financial Officer, the Company Secretary and Compliance Officer, the legal counsels, the bankers to our Company, the Bankers to the Offer, lenders (where such consent is required), industry sources, third party chartered accountants, the GCBRLMs, the BRLM 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 and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act 2013. 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 S. R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act 2013 in respect of the reports of the Auditors on the Restated Financial Statements dated September 14, 2017 and the statement of tax benefits dated September 15, 2017 included in this Draft Red Herring Prospectus but not construing to be “experts” as defined under the Securities Act.

Our Company has also received a written consent from Crowe Horwath HTL Consultants Private Limited, to include its name, Horwath HTL India, in this Draft Red Herring Prospectus as an “expert” in terms of the Companies Act 2013, in respect of the Horwath Report.

Offer Expenses

For details of the Offer related expenses, see “*Objects of the Offer – Offer Related Expenses*” on page 113.

Fees, Brokerage and Selling Commission

The total fees payable to Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated the Syndicate Agreement to be executed among our Company, the Selling Shareholders and the members of the Syndicate, copies of which shall be available for inspection at our Registered and Corporate Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement, a copy of which shall be made available for inspection at our Registered and Corporate Office on Working Days from 10 a.m. to 4 p.m. from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public, including any rights issues to the public undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues

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, since the incorporation of our Company.

Previous Issues Otherwise than for Cash

Except as disclosed in “*Capital Structure*” on page 71, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues in the Preceding Three Years

Except as disclosed in “*Capital Structure*” on page 71, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. None of our Subsidiaries or Group Companies have made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects

Our Company has not undertaken any public, including any rights issues to the public in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Subsidiaries, Group Companies and Associate Companies

None of our Subsidiaries, Group Companies or Associate Companies have made any public, including rights issues to the public in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares

Other than the options granted under the ESOP-2006, our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus. For details of options outstanding under ESOP-2006, see “**Capital Structure – Employee Stock Option Scheme**” on page 95.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

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 three 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 may contact the GCBRLMs and the BRLM for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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 GCBRLMs or the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, the GCBRLMs, the BRLM 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. Nikhil Sethi, Group Company Secretary & General Manager – Legal 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.

Mr. Nikhil Sethi
Asset No. 6, Aerocity Hospitality District
New Delhi 110 037, India
Tel: +91 11 4605 0122
Facsimile: +91 11 4605 0110
E-mail: sectdeptt@lemontreehotels.com

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.

Further, our Board has constituted a Stakeholders' Relationship Committee comprising our Directors, Mr. Gopal Sitaram Jiwarajka, Mr. Patanjali Govind Keswani, Mr. Rattan Keswani and Ms. Freyan Jamshed Desai, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management***" on page 181.

Disposal of investor grievances by listed Group Companies

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries or our Group Companies are listed on any stock exchange, and therefore there are no investor complaints pending against any of them.

Changes in Auditors

There have been no changes in the Auditors of the Company in the three years immediately preceding the date of this Draft Red Herring Prospectus. Pursuant to a Board resolution dated June 15, 2017 M/s Deloitte Haskins & Sells LLP has been recommended for being appointed as the Statutory Auditor for a period of five years from the date of the next annual general meeting of our Company.

Capitalization of Reserves or Profits

Except for issuance of Equity Shares pursuant to bonus issues, as disclosed in "***Capital Structure***" in page 71, our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

SECTION VII – OFFER RELATED INFORMATION

OFFER STRUCTURE

The Offer comprises up to 195,797,000 Equity Shares, at an Offer Price of ₹ [●] per Equity Share for cash, aggregating up to ₹ [●] million and is being made through the Book Building Process, through an Offer for Sale by the Selling Shareholders, comprising up to 94,500,053 Equity Shares aggregating to ₹ [●] million by Maplewood, up to 25,320,584 Equity Shares aggregating to ₹ [●] million by RJ Corp, up to 13,999,416 Equity Shares aggregating to ₹ [●] million by RKJ HUF, up to 10,317,600 Equity Shares aggregating to ₹ [●] million by Citron, up to 6,986,180 Equity Shares aggregating to ₹ [●] million by Whispering Resorts, up to 883,440 Equity Shares aggregating to ₹ [●] million by Swift Builders, up to 23,649,816 Equity Shares aggregating to ₹ [●] million by Five Star, up to 19,159,911 Equity Shares aggregating to ₹ [●] million by Palms International, up to 480,000 Equity Shares aggregating to ₹ [●] million by Mr. Satish Chander Kohli and up to 500,000 Equity Shares aggregating to ₹ [●] million by Mr. Raj Pal Gandhi. The Offer will constitute up to 24.90% 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 more than 97,898,500 Equity Shares	Not less than 29,369,550 Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not less than 68,528,950 Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	Not more than 50% of the Offer size shall be available for allocation to QIBs. Up to 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 less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders shall be available for allocation	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non Institutional Investors shall be available for allocation
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) 1,957,970 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 37,201,430 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. For details, see “ Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs ” on page 310.
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
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, 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 one Equity Share thereafter		[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Category
Trading Lot	One Equity Share		

	QIBs*	Non-Institutional Investors	Retail Individual Investors
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), 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, systemically important non-banking financial companies registered with the RBI and having a worth of more than ₹ 5,000 million as per the last audited financial statements, 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 of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

* Our Company and Maplewood, in consultation with the GCBRLMs and the BRLM may 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 and Maplewood in consultation with the GCBRLMs and the BRLM.

**This Offer is being made in accordance with Rule 19(2)(b) of the SCRR, through the Book Building Process wherein not more than 50% of the Offer will Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less 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. Further, not less than 35% 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 GCBRLMs, the BRLM 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 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 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

Our Company and the Selling Shareholders in consultation with the GCBRLMs and the BRLM, reserve the right to not

proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If our Company and the Selling Shareholders withdraw the Offer, 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 GCBRLMs and the BRLM, through the Registrar to the Offer, will instruct the SCSBs 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 and the Selling Shareholders, in consultation with the GCBRLMs and the BRLM, withdraw 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; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, 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, FIPB 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, the MoA and the Articles of Association and will rank *pari passu* in all respectus 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 320.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our MoA 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 our Articles of Association**” on pages 208 and 320 of this Draft Red Herring Prospectus, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹ 10. 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 ₹ [●].

The Price Band and the minimum Bid Lot will be decided by our Company and Maplewood, in consultation with the GCBRLMs and the BRLM and published at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate 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 Shareholder

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, the terms of the SEBI Listing Regulations and our MoA 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 320.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized 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 dematerialized form in multiples of [●] Equity Shares. For details of the Basis of Allotment, see “**Offer Procedure**” on page 278.

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. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office, or with the Registrar and transfer agents of our Company.

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 our 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, our Board may thereafter withhold payment of all dividend, 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 FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[●]
COMMENCEMENT OF TRADING	[●]

* Our Company and Maplewood, in consultation with the GCBRLMs and the BRLM 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 and Maplewood, may in consultation with the GCBRLMs and the BRLM, 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 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 and Maplewood, 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. Each Selling Shareholder confirms that it shall extend reasonable cooperation required by our Company, the GCBRLMs and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

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 GCBRLMs and the BRLM 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 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 and Maplewood, in consultation with the GCBRLMs and the BRLM, reserve 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 GCBRLMs and the BRLM and terminals of the Syndicate Members and will also be intimated to SCSBs, the Registered Brokers, CRTAs 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

As the Offer is entirely through Offer for Sale, the requirement of 90% minimum subscription under the SEBI ICDR Regulations is not applicable to the Offer. In the event our Company fails to ensure that the number of Bidders to whom the Equity Shares are Allotted in the Offer is more than 1,000, our Company shall forthwith refund the entire subscription amount received within the timelines prescribed under applicable laws, failing which, our Directors who are officers in default shall jointly and severally be liable to repay that money with interest at the rate of 15% per annum. This is further subject to the compliance with Rule 19(2)(b) of the SCRR.

It is clarified that, subject to applicable law, none of the Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay has been caused solely and directly by an act or omission attributable to by 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

Except for lock-in of pre-Offer equity shareholding, Promoters' Contribution and Anchor Investor lock-in in the Offer, as detailed in "**Capital Structure**" on page 71 and as provided in our Articles as detailed in "**Main Provisions of the Articles of Association**" on page 320, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by SEBI (“General Information Document”) included below under sub-section titled “ – **Part B - General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the GCBRLMs and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the 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.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and Maplewood, in consultation with the GCBRLMs and the BRLM may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the 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). 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. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders 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 GCBRLMs, the BRLM 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 dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the 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 and Corporate 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 GCBRLMs and the BRLM.

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) 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.

Further, such 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 must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

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 GCBRLMs and the BRLM.

[^]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).

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form 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.

Who can Bid?

In addition to the category of Bidders set forth under the sub-section “- **Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue**” on page 290, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates and affiliates of the GCBRLMs, the BRLM and the Syndicate Members, Promoters, Promoter Group and persons related to Promoter/Promoter Group

The GCBRLMs, the BRLM 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 GCBRLMs, the BRLM 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 GCBRLMs, the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoters, Promoter Group, GCBRLMs, the BRLM and any persons related to the GCBRLMs and the BRLM (except Mutual Funds sponsored by entities related to the GCBRLMs and the BRLM) cannot apply in the Offer under the Anchor Investor Portion.

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 therefore.

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 Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs 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 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).

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 (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by FPIs in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 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. Such 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 passed a Board resolution dated June 15, 2017 and shareholders' resolution dated July 24, 2017, 2017 to increase the aggregate limit for investments by FPIs to 49% of our paid-up Equity Share capital.

Bids by SEBI registered Alternative Investment Funds

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A category I AIF, cannot invest more than one-third of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Post the repeal of the SEBI (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.

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 Circular – Para-banking Activities dated July 1, 2015 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 investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. 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.

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 and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), 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 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, 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 GCBRLMs and the BRLM, 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 GCBRLMs and the BRLM, may deem fit.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see the section entitled “**Offer Procedure – Part B – General Information Document for Investing in Public Issues**” on page 287.

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 and the Selling Shareholders 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 Selling Shareholders, the GCBRLMs and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

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 registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language in the place where our Registered and Corporate 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 XIII 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 finalisation 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 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. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. 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;

6. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;
7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. 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;
10. 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;
11. 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;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. 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;
17. 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;
18. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
20. 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;

21. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor 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>);
22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation 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;
23. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with; and
24. Bids by Eligible NRIs 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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 our Company or at a location other than the Bidding Centers;
8. Do not Bid on a 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 Offer/Issue 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 and PAN 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;
17. Do not submit more than five Bid cum Application Forms per ASBA Account
18. 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
19. 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;

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; and
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 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.

Payment into Escrow Account

Our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice 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 August 11, 2017 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated July 13, 2017 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, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum 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;
- (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 allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under ESOP-2006 and allotment of Equity Shares pursuant to the Proposed Amalgamation, 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. For details on the scheme of the Proposed Amalgamation, see “**History and Certain Corporate Matters**” on page 164;
- (vii) That if our Company or 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) That if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh 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

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder.” All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

- (i) Its respective portion of the Offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer;
- (ii) Its respective portion of the Offered Shares have been held by such Selling Shareholders for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus, such period determined in accordance with Regulation 26(6) of the SEBI ICDR Regulations;
- (iii) It is the legal and beneficial owner of its respective portion of the Offered Shares.
- (iv) It will not have recourse to the proceeds of the Offer for Sale, until approval for trading of the Equity Shares is received from the Stock Exchanges.
- (v) It will deposit its respective portion of the Offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Red Herring Prospectus with the RoC; and
- (vi) It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer.

Utilization of Net Proceeds

The Selling Shareholders, along with the Company, specifically confirm and declare that all monies received from the Offer for Sale shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/ Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 OFFER PERIOD

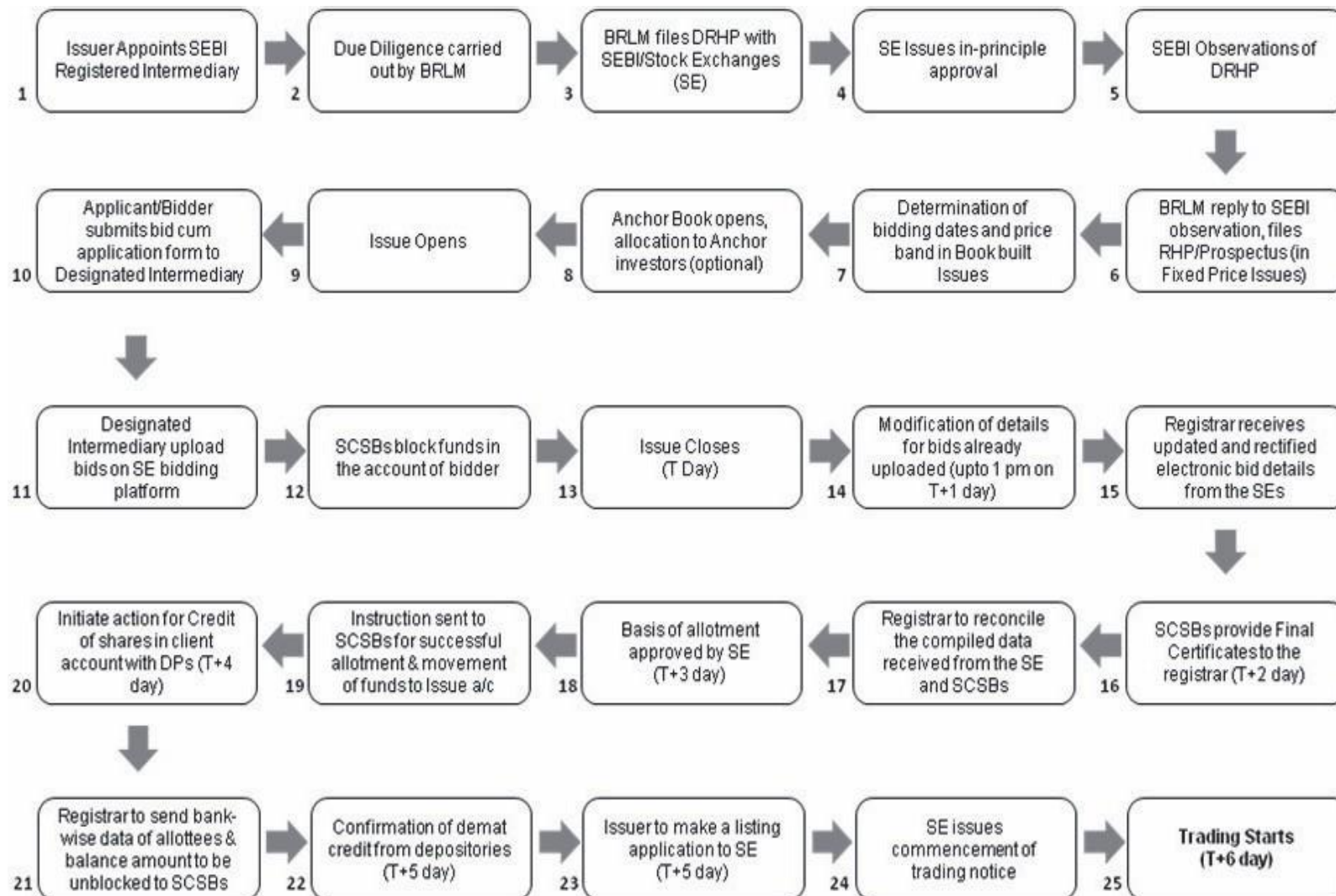
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Offer Date and Price
 - ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares; Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form-For Residents

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No.	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO
TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN :

Bid cum
Application
Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms.
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BICROW BANK/SCSB BRANCH STAMP & CODE	Address:
		Tel. No (with STD code) / Mobile:
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER
		

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL		6. INVESTOR STATUS ☐ Individual(s) - IND ☐ Hindu Undivided Family - HUF ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - FI ☐ Mutual Funds - MF ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VCF ☐ Alternative Investment Funds - AIF ☐ Others (Please specify) - OTH
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		5. CATEGORY
Bid Options	No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 0.05 only) (In Figures)
		Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1	8 7 6 5 4 3 2 1	3 2 1 3 2 1 3 2 1 ☒ ☐ ☐
OR Option 2		☐ ☐ ☐
(OR) Option 3		☐ ☐ ☐

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
Amount paid (₹ in figures) (₹ in words)	
ASBA Bank Ac No.	
Bank Name & Branch:	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all such acts as necessary to make this Application in this line	BROKER / SCSB / DP / RTA STAMP (Acknowledging upon do f Bid in Stock Exchange system)
Date :	1) 2) 3)	

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.

DPID / CUID		PAN of Sole / First Bidder	

Amount paid (₹ in figures)	Bank & Branch:	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile:	Email:	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No.				Acknowledgement Slip for Bidder	Bid cum Application Form No.
Bank & Branch:					

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

9K - TEAR HERE

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- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013 which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by

a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs.200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- (b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Offer size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the

Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

- (b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.
- (c) All Bidders (other than Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. Instructions for Anchor Investors:

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, NACH or NEFT.
- (c) The Escrow Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. Payment instructions for Bidders (other than Anchor Investors)

- (a) Bidders may submit the Bid cum Application Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB

by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.1.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.2 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for

blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.
 - ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.
 - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries –
- i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted or
 - iii. Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISIONFORM

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : _____ Contact Details: _____ CIN No. _____	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____
		Bid cum Application Form No. _____

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. _____ Address _____ Email _____ Est. No (with STD code) / Mobile _____
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER

BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												☐
(OR) Option 2												☐
(OR) Option 3												☐
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												☐
(OR) Option 2												☐
(OR) Option 3												☐

6. PAYMENT DETAILS									
Additional Amount Paid (₹ in figures) _____ ₹ in words) _____									
ASBA Bank A/c No. _____									
Bank Name & Branch _____									
UPON REVIEW OF THIS APPLICATION, IF ANY DISCREPANCY WITH THE ABOVE DETAILS AND UNDERSTANDING OF THE BIDDING PROCESS IS OBSERVED, THE BROKER/SCSB/DP/RTA SHALL BE RESPONSIBLE FOR THE SAME. THE BROKER/SCSB/DP/RTA SHALL BE RESPONSIBLE FOR THE SAME. THE BROKER/SCSB/DP/RTA SHALL BE RESPONSIBLE FOR THE SAME.									
7A. SIGNATURE OF SOLE / FIRST BIDDER					7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)				
_____ Date : _____					_____ I/We authorize the SCSB to do all acts as necessary to enable the Application in the line. 1) _____ 2) _____ 3) _____				
					BROKER / SCSE / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)				

LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No. _____
PAN of Sole / First Bidder		_____	
Additional Amount Paid (₹)		_____	
ASBA Bank A/c No.		_____	
Received from Mr./Ms.		_____	
Telephone / Mobile		_____	
Email		_____	

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="3">_____</td> </tr> <tr> <td>Bank & Branch</td> <td colspan="3">_____</td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Paid (₹)				ASBA Bank A/c No.	_____			Bank & Branch	_____			Stamp & Signature of Broker / SCSEB / DP / RTA _____ Name of Sole / First Bidder _____ Acknowledgement Slip for Bidder Bid cum Application Form No. _____
	Option 1	Option 2	Option 3																							
No. of Equity Shares																										
Bid Price																										
Additional Amount Paid (₹)																										
ASBA Bank A/c No.	_____																									
Bank & Branch	_____																									

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer
- (b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- (b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

4.3.5.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

- i. The Bids accepted by the Designated Intermediary;
 - ii. The Bids uploaded by the Designated Intermediary; and
 - iii. The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
 - (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
 - (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
 - (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) Bids/Applications by persons in the United States;
- (i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

- (m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (n) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Bank;
- (w) Where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it

also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**“Maximum RII Allottees”**). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 250 crores and an additional 10 Anchor Investors for every additional Rs. 250 crores or part thereof, subject to minimum allotment of Rs. 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot

finalised by the Issuer;

- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act 2013, the Issuer may be punishable

with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ OfferClosing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- i. **NACH** — National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through anyone of the other modes as discussed in this section;
- iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and
- iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Draft Red Herring Prospectus, the description as ascribed to such term in the Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/ Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Accounts for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date

Term	Description
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ OfferPeriod for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application 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 websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the Circular on Streamlining of Public Issues
Collecting Registrar and Share Transfer Agents or Collecting RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	The date on which funds are transferred by the Escrow Bank from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Bank	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form

Term	Description
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Company and Maplewood in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Offer Opening 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 SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

SECTION VIII – MAIN PROVISIONS OF 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 2013 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

Application of Table F

Article 1.1 provides that regulations contained in the table 'F' to the Schedule I of the Companies Act 2013, shall not apply to the Company except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

Share Capital, payment of commission and variation of rights

Article 4 provides that "the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit.

Article 5 provides that "Subject to the provisions of the Act, these Articles and with the sanction of the Company in the 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 think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting"

Article 8B provides that "Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution."

Article 10.1 provides that "The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules."

Article 10.2 provides that "The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules."

Article 10.3 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."

Article 11 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 with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act."

Article 12 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 13 provides that “Subject to section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.”

Further issue of Share Capital

Article 14(1) provides that “Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered:

(a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions: -

(i) the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined

(ii) the aforementioned offer 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 mentioned in sub-Article (i), above shall contain a statement of this right; and

(iii) after the expiry of the time specified in the aforesaid notice 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 of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or

(b) to employees under any scheme of employees’ stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or

(c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to applicable provisions of the Act and Rules thereunder.

The notice referred to in sub-clause (i) of sub-Article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue.

The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the rules thereunder and other applicable provisions of the Act.”

Article 14.2 provides that “Nothing in this Article 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 loans raised by the Company to convert such debenture or loans into 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 debenture or the raising of loan by a special resolution passed by the Company in general meeting.”

Article 14.3 provides that “A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules”.

Company’s lien on shares

Article 15.1 provides that “The Company shall have a first and paramount Lien -

(a) on every share (not being a fully paid share) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.”

Article 15.2 provides that “The Company’s Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company”

Article 15.3 provides that “Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company’s Lien.”

Call on Shares

Article 21.1 provides that “The Board may, from time to time, make calls upon the members in respect of any monies 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 21.2 provides that “Each member shall, subject to receiving at least 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 21.3 provides that “The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.”

Article 21.4 provides that “A call may be revoked or postponed at the discretion of the Board.”

Article 22 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 24 provides that if a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 25(1) provides that “Any sum which by the terms of 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.”

Article 25(2) provides that “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 27 provides that “If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.”

Article 30 provides that “The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.”

Transfer and transmission of shares

Article 32 provides that “The Board may, subject to the right of appeal conferred by the Section 58 of the Act decline to register -

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a Lien”

Article 36.1 provides that “On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.”

Article 36.2 provides that nothing in Article 36.1 shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 37.1 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 may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.”

Article 40 provides that “The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company”

Forfeiture of shares

Article 41 provides that “If a member fails to pay any call, or instalment of a call or any money due in respect of any share, 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 or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.”

Article 43 provides that “If the requirements of any such notice as aforesaid are 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 46 provides that “The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.”

Article 48.1 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, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.”

Article 48.2 provides that “All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.”

Article 53 provides that “The provisions 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, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.”

Article 54 provides that “The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.”

Alteration of Capital

Article 55 provides that “Subject to the provisions of the Act, the Company may, by ordinary resolution -

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.”

Article 57 provides that “The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.”

Capitalisation of profits

Article 59 provides that: “(1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve-

- (a) that it is desirable to capitalise 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
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 60.1 provides that “Whenever such a resolution as aforesaid shall have been passed, the Board shall –

- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (b) generally do all acts and things required to give effect thereto.”

Buy Back of shares

Article 61 provides that “Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities.”

General Meetings

Article 62 provides that “All general meetings other than annual general meeting shall be called extraordinary general meeting.”

Article 63 provides that “The Board may, whenever it thinks fit, call an extraordinary general meeting.”

Article 64 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 business.”

Article 72 provides that “The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place.”

Voting Rights

Article 78 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 79 provides that “No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.”

Article 80 provides that “A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.”

Article 81 provides that “Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.”

Proxy

Article 82.1 provides that “Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.”

Board of Directors

Article 83 provides that “Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).”

Article 86.2 provides that “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.”

Article 86.3 provides that “The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.”

Article 87.2 provides that “The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.”

Appointment and remuneration of directors

Article 88 provides that “The Company by ordinary resolution or the Directors may, subject to the relevant provisions of the Act, from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission shall be in accordance with the relevant provisions of the Act”

Article 88A provides that “Notwithstanding anything contained in these Articles, so long as each of Maplewood Investment Ltd and APG Strategic Real Estate Pool N.V., individually hold at least 10% of the Company’s fully diluted paid-up share capital, each of Maplewood Investment Ltd and APG Strategic Real Estate Pool N.V. would be entitled to nominate one Director, respectively on the Board of the Company, subject to the approval of the members of the Company through a special resolution passed at the first general meeting of the Company held post completion of an initial public offering of the equity shares of the Company.”

Article 90 provides that “Subject to the provisions of Section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.”

Article 93.1 provides that “Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.”

Article 94.1 provides that “The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.”

Article 95.1 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 by the Board of Directors at a meeting of the Board.”

Powers of Board

Article 96 provides that “The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.”

Proceedings of the Board

Article 97.1 provides that “The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.”

Article 99 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 101 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 104 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 there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.”

Article 105 provides that “Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.”

Dividends and Reserve

Article 110 provides that “The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.”

Article 111 provides that “Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.”

Article 112.1 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 applied 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.”

Article 112.2 provides that “The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 113.1 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 113.3 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 114.1 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 of the Company”

Article 117 provides that “No dividend shall bear interest against the Company.”

Article 119.1 provides that “Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank.”

Winding up

Article 121 provides that “Subject to the applicable provisions of the Act and the Rules made thereunder:

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) for the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

Article 122.a provides that “Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.”

Article 122.b provides that “Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.”

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’ agreements executed with certain shareholders of our Company. For more details on the shareholders’ agreements, see “*History and Certain Corporate Matters – Material Agreements*” on page 171.

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 the 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 delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10.00 am to 4.00 pm 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 19, 2017 entered into among our Company, the Selling Shareholders, the GCBRLMs and the BRLM.
2. Registrar Agreement dated September 19, 2017 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, the GCBRLMs, the BRLM the Syndicate Members, Public Offer Account Bank, Escrow Bank(s), and the Registrar to the Offer.
4. Share Escrow Agreement dated August 14, 2017 entered into among Whispering Resorts, Swift Builders. Mr. Satish Chander Kohli, Mr. Raj Pal Gandhi, our Company and a share escrow agent.
5. Share Escrow Agreement dated [●] entered into among Maplewood, RJ Corp, Five Star, Citron, Palms International, our Company and a share escrow agent.
6. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders, the GCBRLMs, the BRLM, Registrar to the Offer and Syndicate Members.

Other Material Contracts in relation to our Company

1. Share subscription agreement and the shareholders' agreement, each dated July 25, 2006 entered into among our Company, Maplewood, Mr. Patanjali Govind Keswani, Gokal Group, RJ Corp, Palms International, Aster and PRN, as amended
2. Share purchase agreements entered into among our Company, Mr. Patanjali Govind Keswani (as a Promoter) and certain erstwhile shareholders of our Company (including certain employees) and the Citron rights agreement, entered into among our Company, Mr. Patanjali Govind Keswani (as a Promoter and as a representative of certain of his affiliates) and Citron, each dated March 19, 2008, as amended
3. Share subscription and investor rights agreement dated April 25, 2012 entered into among our Company, APG, Mr. Patanjali Govind Keswani, SMSPL, Aster and PRN, as amended
4. Subscription and shareholders' agreement dated February 19, 2015 entered into among APG and our Company and Mr. Patanjali Govind Keswani and Nightingale
5. Subscription and shareholders' agreement dated April 25, 2012 entered into among APG and our Company and Mr. Patanjali Govind Keswani and Fleur
6. Subscription and shareholders' agreement dated June 15, 2015 entered into among APG and our Company and Mr. Patanjali Govind Keswani and Begonia

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.
2. Certificates of incorporation dated June 2, 1992, January 7, 2003, June 10, 2010 and October 22, 2012.
3. Board resolution dated June 15, 2017, authorizing the Offer and other related matters.
4. Consent letters of each of the Selling Shareholders authorizing their respective portions of the Offer for Sale.
5. Copies of annual reports for the five Fiscal years, i.e., Fiscals 2017, 2016, 2015, 2014 and 2013.
6. Employee Stock Option Plan – 2005.
7. Employee Stock Option Plan – 2006.
8. The examination reports of the Auditors, S.R. Batliboi & Co. LLP, Chartered Accountants, on our restated financial information included in this Draft Red Herring Prospectus.
9. Industry report titled "Industry Report – Mid Priced Hotel Sector" dated September 9, 2017, prepared by Horwath HTL India.
10. Consent of the Auditors, S.R. Batliboi & Co. LLP, Chartered Accountants to include their name in this Draft Red Herring Prospectus.

11. Statement of tax benefits dated September 15, 2017.
12. Consents of Bankers to our Company, the GCBRLMs, the BRLM Syndicate Members, Registrar to the Offer, Bankers to the Offer, Escrow Banks, Refund Banks, legal counsel, our Directors, Company Secretary and Compliance Officer, Chief Financial Officer as referred to act, in their respective capacities.
13. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
14. SEBI final observation letter dated [●].
15. Tripartite Agreement dated August 11, 2017 among our Company, NSDL and the Registrar to the Offer.
16. Tripartite Agreement dated July 13, 2017 among our Company, CDSL and the Registrar to the Offer.
17. Due diligence certificate dated September 19, 2017 to SEBI from the GCBRLMs and the BRLM.

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 regulations or guidelines issued by SEBI, 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, 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 statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

(Mr. Patanjali Govind Keswani)
(Chairman and Managing Director)

(Mr. Rattan Keswani)
(Deputy Managing Director)

(Mr. Aditya Madhav Keswani)
(Non-executive Director)

(Mr. Ravi Kant Jaipuria)
(Non-executive Director)

(Mr. Niten Malhan)
(Non-executive Director)

(Mr. Willem Albertus Hazeleger)
(Non-executive Director)

(Mr. Gopal Sitaram Jiwarajka)
(Independent Director)

(Ms. Freyan Jamshed Desai)
(Independent Director)

(Mr. Paramartha Saikia)
(Independent Director)

(Mr. Pradeep Gupta)
(Independent Director)

(Mr. Arvind Singhanian)
(Independent Director)

(Mr. Ashish Kumar Guha)
(Independent Director)

(Mr. Kapil Sharma)
(Chief Financial Officer)

Date: September 19, 2017

Place: Delhi

DECLARATION BY MAPLEWOOD INVESTMENT LTD

Maplewood Investment Ltd certifies that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Maplewood Investment 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 in this Draft Red Herring Prospectus.

For and on behalf of Maplewood Investment Ltd

Name: Ms. Sharmila Baichoo

Designation: Director

Date: September 19, 2017

DECLARATION BY RJ CORP LIMITED

RJ Corp Limited certifies that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. RJ Corp 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 in this Draft Red Herring Prospectus.

For and on behalf of RJ Corp Limited

Name: Mr. Raj Pal Gandhi

Designation: Director

Date: September 19, 2017

DECLARATION BY FIVE STAR HOSPITALITY INVESTMENT LIMITED

Five Star Hospitality Investment Limited certifies that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Five Star Hospitality Investment 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 in this Draft Red Herring Prospectus.

For and on behalf of Five Star Hospitality Investment Limited

Name: Mr. Yashpal Kumar

Designation: Authorised Signatory

Date: September 19, 2017

DECLARATION BY PALMS INTERNATIONAL INVESTMENTS LIMITED

Palms International Investments Limited certifies that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Palms International Investments 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 in this Draft Red Herring Prospectus.

For and on behalf of Palms International Investments Limited

Name: Mr. Yashpal Kumar

Designation: Authorised Signatory

Date: September 19, 2017

DECLARATION BY CITRON LIMITED

Citron Limited certifies that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Citron 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 in this Draft Red Herring Prospectus.

For and on behalf of Citron Limited

Name: Mr. Mitsuru Takanarita

Designation: Director

Date: September 19, 2017

DECLARATION BY RAVI KANT JAIPURIA AND SONS (HUF)

Ravi Kant Jaipuria and Sons (HUF) certifies that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Ravi Kant Jaipuria and Sons (HUF) assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in this Draft Red Herring Prospectus.

For and on behalf of Ravi Kant Jaipuria and Sons (HUF)

Name: Ravi Kant Jaipuria

Designation: Karta

Date: September 19, 2017

DECLARATION BY WHISPERING RESORTS PRIVATE LIMITED, SWIFT BUILDERS LIMITED, MR. SATISH CHANDER KOHLI AND MR. RAJ PAL GANDHI

Whispering Resorts Private Limited, Swift Builders Limited, Mr. Satish Chander Kohli and Mr. Raj Pal Gandhi severally certify that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus about it or in relation to itself and the Equity Shares offered by it in the Offer for Sale are true and correct. Whispering Resorts Private Limited, Swift Builders Limited, Mr. Satish Chander Kohli and Mr. Raj Pal Gandhi assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in this Draft Red Herring Prospectus.

For and on behalf of Whispering Resorts Private Limited, Swift Builders Limited, Mr. Satish Chander Kohli and Mr. Raj Pal Gandhi, acting through Mr. Kapil Sharma, duly appointed power of attorney holders.

Mr. Kapil Sharma

Date: September 19, 2017