

Price Waterhouse & Co Bangalore LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF APEEJAY SURRENDRA PARK HOTELS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Apeejay Surrendra Park Hotels Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true

Price Waterhouse & Co Bangalore LLP, Plot No. Y-14, Block EP, Sector - V, Salt Lake, Kolkata
T: +91 (33) 44001111 / 44662000, F: +91 (33) 44043065



Registered office and Head office: 5th Floor, Tower D, The Millenia, 1 & 2 Murphy Road, Ulsoor, Bangalore - 560 008

Price Waterhouse & Co Bangalore LLP (LLP IN: AAC-6284) is registered as a Limited Liability Partnership (LLP). Price Waterhouse & Co., Bangalore has converted from partnership firm to an LLP effective August 25, 2014. Its registration number with ICAI after said conversion as LLP is 007567S/S200012 (registration number before conversion was 007567S)

Price Waterhouse & Co Bangalore LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Apeejay Surrendra Park Hotels Limited
Report on the Standalone Ind AS Financial Statements
Page 2 of 3

and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed a modified opinion dated November 30, 2016 and an unmodified opinion dated September 28, 2015. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as "the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



Price Waterhouse & Co Bangalore LLP

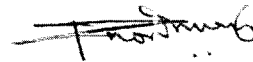
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Apeejay Surrendra Park Hotels Limited
Report on the Standalone Ind AS Financial Statements
Page 3 of 3

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 27;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, amounts aggregating Rs. 0.28 Crores, as represented to us by the Management have been received towards transactions in SBNs which are not permitted. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 48.

For Price Waterhouse & Co. Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
September 21, 2017

Price Waterhouse & Co Bangalore LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Apeejay Surrendra Park Hotels Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3A on fixed assets to the financial statements, are held in the name of Gemini Hotels & Holdings Limited / New Bombay Park Hotels Limited / Andhra Hotels Private Limited other than as set out below which are in the name of the Company:

	Gross Block	Net Block
Land and Building	Rs 7,363,936,723	Rs 7,253,497,119

- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.



Price Waterhouse & Co Bangalore LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Apeejay Surrendra Park Hotels Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

Page 2 of 3

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of income tax and work contract tax, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2017, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Income Tax Act, 1961	Income Tax	327	Apr-16	7-May-2016	2-Aug-2017
Income Tax Act, 1961	Income Tax	644	Aug-16	7-Sep-2016	2-Aug-2017
Income Tax Act, 1961	Income Tax	1,884	Sep-16	7-Oct-2016	2-Aug-2017

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise and value added tax, as applicable as at March 31, 2017 which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	1,72,46,238	2004-05 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal Kolkata
Income Tax Act, 1961	Income Tax	44,56,794	A.Y. 2012-13	Commission of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	14,16,991	A.Y. 2013-14	Commission of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	4,293	A.Y. 2014-15	Commission of Income Tax (Appeals)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of commercial paper and term loans have been applied on an overall basis for the purposes for



Price Waterhouse & Co Bangalore LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Apeejay Surrendra Park Hotels Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

Page 3 of 3

- which they were obtained. The company has not raised any moneys by way of initial public offer and any other further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S200012
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number 57572

Kolkata
September 21, 2017

Price Waterhouse & Co Bangalore LLP

Chartered Accountants

Annexure A to the Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Apeejay Surrendra Park Hotels Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Apeejay Surrendra Park Hotels Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



Price Waterhouse & Co Bangalore LLP

Chartered Accountants

Annexure A to the Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Apeejay Surrendra Park Hotels Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

Page 2 of 2

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S200012
Chartered Accountants



Pinaki Chowdhury
Partner
Membership Number: 57572

Kolkata
September 21, 2017

Apeejay Surrendra Park Hotels Limited
Balance Sheet as at 31 March, 2017

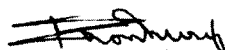
All amounts in Rupees Crores, unless otherwise stated.

	Note	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Assets				
Non-current Assets				
Property, Plant and Equipment	3A	1,054.63	1,061.51	1,054.79
Capital work-in-progress	3B	29.37	29.82	26.36
Intangible assets	3C	2.08	1.83	1.97
Financial Assets				
(i) Investments	4	0.06	0.07	0.06
(ii) Loans	5	6.13	7.36	6.90
(iii) Other financial assets	6	3.18	2.23	2.30
Non current tax assets (net)	7	9.70	8.68	6.05
Other Non-current Assets	8	21.06	19.35	24.50
Total Non-Current Assets		1,126.21	1,130.85	1,122.93
Current Assets				
Inventories	9	14.45	12.76	12.18
Financial Assets				
(i) Investments	10	-	-	0.02
(ii) Trade receivables	11	26.46	27.54	23.72
(iii) Cash and cash equivalents	12	3.02	3.13	2.95
(iv) Other bank balances	12A	0.30	0.47	0.43
(v) Loans	13	28.38	6.34	6.28
(vi) Other financial assets	14	4.50	14.44	5.98
Other current assets	15	24.84	26.40	25.96
Total Current Assets		102.04	91.08	77.52
Total Assets		1,228.25	1,221.93	1,200.45
Equity and Liabilities				
Equity				
Equity share capital	16	18.83	18.88	18.88
Other equity	17	599.60	590.29	595.27
Total Equity		618.43	609.17	614.15
Non-current Liabilities				
Financial Liabilities				
(i) Borrowings	18	379.42	331.88	330.93
(ii) Other financial liabilities	19	0.03	1.16	1.73
Other Non-current liabilities	20	23.77	24.11	25.22
Deferred Tax Liabilities (Net)	21	51.16	58.01	53.85
Total Non-Current Liabilities		454.38	415.16	411.73
Current Liabilities				
Financial Liabilities				
(i) Borrowings	22	41.75	78.96	71.20
(ii) Trade Payables	23			
(a) Total outstanding dues of micro enterprises and small enterprises		0.06	0.05	0.04
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		42.91	36.41	29.29
(iii) Other financial liabilities	24	50.69	64.18	57.01
Provisions	25	6.96	4.36	3.55
Other current liabilities	26	13.02	13.65	13.48
Total Current Liabilities		155.39	197.61	174.57
Total Liabilities		609.77	612.77	586.30
Total Equity and Liabilities		1,228.25	1,221.94	1,200.45

The accompanying notes form an integral part of these Standalone financial statements.


This is the Standalone Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
 Firm Registration No. : 007567S/S-200012
 Chartered Accountants



Pinaki Chowdhury
 Partner
 Membership No. : 57572
 Kolkata
 September 21, 2017

For and on behalf of the Board of Directors


 Chief Financial Officer


 Company Secretary


 Managing Director


 Director

Apeejay Surrendra Park Hotels Limited
Statement of Profit and Loss for the year ended 31 March, 2017

All amounts in Rupees Crores, unless otherwise stated.

	Note	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from Operations	29	348.46	307.92
Other Income	30	21.25	25.99
Total Revenue		369.71	333.91
Expenses			
Consumption of Provisions, Beverages, Wine/Liquor and Smokes	31	56.38	54.40
Employees Benefits Expense	32	76.26	68.02
Finance Costs	33	43.92	43.50
Depreciation and amortisation expense	34	26.88	26.21
Other Expenses	35	160.29	142.53
Total Expenses		363.73	334.66
Profit/(Loss) before Tax		5.98	(0.75)
Income Tax Expense	21A		
Current Tax		2.02	0.29
Less: MAT Credit Entitlement		(2.02)	(0.29)
Tax Adjustment relating to earlier years			
- Current Tax		-	*
- MAT Credit Entitlement		-	(0.93)
Deferred Tax		(4.18)	5.28
Total tax expenses		(4.18)	4.35
Profit/(Loss) for the year		10.16	(5.10)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(1.23)	0.18
Income tax relating to above item		0.38	(0.06)
Total Other comprehensive income for the year, net of tax		(0.85)	0.12
Total comprehensive income for the year		9.31	(4.98)
Earning per equity share :	37		
[Nominal Value per share - Rs. 10 (Previous year - Rs. 10)]			
Basic (Rs.)		5.38	(2.70)
Diluted (Rs.)		5.38	(2.70)

* Below rounding off norms

The accompanying notes form an integral part of these Standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Firm Registration No. : 007567S/S-200012
Chartered Accountants



Pinaki Chowdhury
Partner
Membership No. : 57572
Kolkata
September 21, 2017

For and on behalf of the Board of Directors


Chief Financial Officer


Managing Director


Company Secretary


Director

Apeejay Surrendra Park Hotels Limited
Statement of Cash Flows for the year ended 31 March, 2017

All amounts in Rupees Crores, unless otherwise stated.

	Year ended	
	31 March, 2017	31 March, 2016
A. Cash flow from Operating Activities		
Profit/(Loss) before Tax	5.98	(0.75)
Adjustment for:		
Depreciation and amortisation expense	26.88	26.21
Loss on Disposal/Sale of Tangible Assets	0.03	0.39
Interest on advances and deposits	(0.85)	(0.82)
Interest Income on Deferred Employee Loan	(0.03)	(0.02)
Finance costs	43.92	43.50
Bad Debts/Advance written off	0.25	*
Liabilities no longer required written back	(1.33)	(1.26)
Provision for Doubtful Debts no longer required written back	(0.02)	(0.13)
Fair Value loss on financial assets (investments) at FVTPL	*	0.01
Provision for Doubtful Debts and Advances	5.76	0.25
Operating profit before operating assets and liabilities	80.59	67.38
Changes in operating assets and liabilities :		
Increase in financial and non-financial liabilities	7.04	9.38
(Increase) in financial and non-financial assets	(15.43)	(15.78)
(Increase) in Inventories	(1.69)	(0.58)
	(10.08)	(6.98)
Cash generated from operations	70.51	60.40
Direct Tax Paid	(2.25)	(0.24)
Net cash generated from Operating Activities	68.26	60.16
B. Cash flow from Investing Activities :		
Purchase of Property, Plant and Equipment and Intangible Assets	(24.41)	(23.11)
Sale of Tangible Assets	0.04	0.15
Sale of Current Investment	0.01	0.01
Funds withdrawn from/ placed in long-term deposits with	0.08	(0.04)
Interest Income received	0.85	0.82
Net cash used in Investing Activities	(23.43)	(22.17)
C. Cash flow from Financing Activities :		
Proceeds from Non-current borrowings	221.52	36.67
Proceeds from current borrowings	2.78	70.00
Repayment of Non-current borrowings	(182.89)	(38.87)
Repayment of current borrowings	(40.00)	(62.24)
Finance costs paid	(46.35)	(43.37)
Net Cash used in Financing Activities	(44.94)	(37.81)
Net increase/ (decrease) in Cash and cash equivalents during the year	(0.11)	0.18
Cash and cash equivalents at the beginning of the year (refer note 12)	3.13	2.95
Cash and cash equivalents at the end of the year (refer note 12)	3.02	3.13

* Below rounding off norms



Apeejay Surrendra Park Hotels Limited
Statement of Cash Flows for the year ended 31 March, 2017

The above Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7, "Statement of Cash Flows".

The accompanying notes form an integral part of these Standalone Statement of Cash Flows

This is the Standalone Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Firm Registration No. : 007567S/S-200012
Chartered Accountants



Pinaki Chowdhury
Partner
Membership No. : 57572
Kolkata
September 21, 2017

For and on behalf of the Board of Directors


Chief Financial Officer
Managing Director
Company Secretary
Director

Apeejay Surrendra Park Hotels Limited
Statement of Changes in Equity for the year ended 31 March 2017

All amounts in Rupees Crores, unless otherwise stated.

a Equity share capital

	Note reference	Balance as on 1 April 2015	Changes in equity share capital during the year	Balance as on 31 March 2016	Changes in equity share capital during the year	Balance as on 31 March 2017
Equity Share Capital	16	18.88	-	18.88	-	18.88

b Other equity

	Note reference	Reserves and Surplus				Total
		Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance at 1 April 2015	17	*	213.87	80.15	301.25	595.27
Profit/(Loss) for the year		-	-	-	(5.10)	(5.10)
Other Comprehensive Income for the year		-	-	-	0.12	0.12
Balance at 31 March 2016	17	*	213.87	80.15	296.27	590.29
Profit/(Loss) for the year		-	-	-	10.16	10.16
Other Comprehensive Income for the year		-	-	-	(0.85)	(0.85)
Balance at 31 March 2017	17	*	213.87	80.15	305.58	599.60

* Below rounding off norms

The accompanying notes form an integral part of these Standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
 Firm Registration No. : 007567S/S-200012
 Chartered Accountants



Pinaki Chowdhury
 Partner
 Membership No. : 57572
 Kolkata
 September 21, 2017

For and on behalf of the Board of Directors


 Chief Financial Officer


 Managing Director


 Company Secretary


 Director

Apeejay Surrendra Park Hotels Limited

Notes to financial statements

Background

Apeejay Surrendra Park Hotels Limited (the 'Company') is a public limited company domiciled in India, incorporated in India under the provisions of the Companies Act, 1956 (the Act). The Company is primarily engaged in the business of owning, operating and managing hotels. Its shares are not listed on any stock exchanges. The standalone financial statements were approved and authorised for issue with the resolution of the Board of Directors on September 21, 2017.

1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These Financial Statements are the separate financial statements of the Company.

A. Basis of preparation :

(a) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The standalone financial statements up to year ended 31 March, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first standalone financial statements of the Company under Ind AS.

Refer Note 46 for an explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows.

(b) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except the following:

- i) certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- ii) defined benefit plans - plan assets measured at fair value;
- iii) customer loyalty programmes

(c) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realised within twelve months after the reporting period, or
- iv) cash or cash equivalents 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 classified as current when:

- i) it is expected to be settled in the normal operating cycle,
- ii) it is held primarily for the purpose of trading,
- iii) it is due to be settled within twelve months after the reporting period, or
- iv) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

B. Revenue Recognition

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.
- (ii) Revenue from interest is recognized on accrual basis and determined by contractual rate of interest.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable.
- Exports entitlements (arising out of Served from India Scheme (SFIS)) are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- Revenue in respect of customer loyalty are recognized when loyalty points are redeemed by the customers.
- Others: Revenue from Shop License Fee, Management and Marketing Fee included under "Other Operating Revenue" is recognised on accrual basis as per terms of the contract.

C. Foreign currency transactions and translation

(i) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which Company operates (the functional currency). The standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/ other expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

D. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect of situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit/ loss nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.



Apeejay Surrendra Park Hotels Limited

Notes to financial statements

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

E. Property Plant and Equipment

All items of property, plant and equipment are stated either at historical cost i.e. cost of acquisition / construction less accumulated depreciation, impairment loss, if any, or at deemed cost (fair value as at transition date) less accumulated depreciation, impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

Transition to Ind AS

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 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

- i) In case of certain property, plant and equipment, depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets which are different than the useful lives prescribed under the Schedule II to the Companies Act 2013 are as follows:

Asset	Useful Life
Plant & Machinery and Electrical Installation	20 Years
Furniture & Fixtures	15-20 Years
Building (other than those specified below)	100 Years

- a. Depreciation on certain Buildings (Construction on leasehold spaces) is charged dependent on the remaining tenure of lease on Straight Line Method.
- b. Depreciation on buildings situated at Navi Mumbai is charged dependent on the remaining term of the primary lease period on Straight Line Method.
- ii) Leasehold Land is amortised under Straight Line Method over the term of the primary lease period.

Depreciation on historical cost/deemed cost of other property, plant and equipment (except land) is provided on pro rata basis on straight line method based on useful lives specified in Schedule II to the Companies Act, 2013.

The useful lives, residual values and method of depreciation of property plant and equipment are reviewed and adjusted, if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains/ (losses).

The cost of property plant and equipment not ready to use are disclosed under capital work in progress.

F. Intangible Assets

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortisation, impairment loss, if any.

Computer Software for internal use, which is primarily acquired from third party vendors, is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation / system integration services, where applicable.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation method and period

Computer software are amortized on a straight line basis over estimated useful life of five years from the date of capitalisation.

Amortisation method and useful lives are reviewed periodically at each financial year end.

G. Impairment of non-financial assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

H. Investment in Subsidiaries and Joint Venture

- i) Investments in Subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment whenever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all its Investment in Subsidiary recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment in Subsidiary.

- ii) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint ventures are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of of its investment in joint ventures recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment in joint venture.

I. Investment and other financial assets (other than Investment in Subsidiary and Joint Ventures)

i) Classification :

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

ii) Measurement :

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit or loss when the asset is derecognised or impaired.

Fair value through other comprehensive income (FVOCI): Assets that are held for collections of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other income.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit and loss and presented on net basis in the statement of profit and loss within other income/ other expense in the period in which it arises.

(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expenses in the statement of profit and loss.

iii) Impairment of financial assets

The Company assesses on a forward looking basis, the expected credit losses associated with its assets carrying at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 45 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

(v) **Income recognition**

(a) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(b) Dividends

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

(vi) **Fair value of Financial Instruments**

In determining the fair value of financial instruments, the Company uses a variety of method and assumptions that are based on market conditions and risk existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis and available quoted market prices. All method of assessing fair value result in general approximation of fair value and such value may never actually be realised.

J. Inventories :

Inventories are valued at lower of cost and net realisable value. The costs are ascertained under first in first out formula.

K. Derivative Instruments :

The Company enters into certain derivative contracts to hedge risk which are not designated as hedges.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period with changes included in other income / other expense.

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps, interest rate swap, option etc. to hedge its risks associated with foreign currency fluctuations and movements in interest rates relating to the underlying transactions, highly probable forecast transactions and firm commitments.

In respect of Forward Exchange Contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract. Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is recognised for in the Statement of Profit and Loss.

Any profits or losses arising on cancellation of derivative instruments are recognised as income or expenses for the period.

L. Trade receivables :

Trade receivables are amount receivable from customers for goods sold in the ordinary course of business. Trade receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

M. Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

N. Trade Payables :

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

O. Borrowings :

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

P. Borrowing Costs :

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Q. Employee Benefits :

i) Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits payable in the balance sheet.

ii) Post-employment benefits

Defined benefit plans

(a) The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method at the year end.

(b) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

(c) The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Employee Benefit Expense in the statement of profit and loss.

(d) Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.

(e) Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

Defined contribution plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

R. Provisions and Contingent Liabilities :

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

S. Earnings Per Share :

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the equity
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

T. Leases :

As a lessee:-

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:-

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

U. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Governments grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current/current liabilities as deferred income and credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

V. Recent Accounting Pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7 'Statements of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statements of cash flows'. The amendments are applicable to the Company from 1 April, 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from cash flows and non - cash charges, suggesting inclusion of a reconciliation between the opening and closing balance in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The Company is evaluating the requirements of the amendments and the effect on the standalone financial statements is being evaluated.

W. Rounding of amounts

All amounts disclosed in the standalone Financial Statements and notes have been rounded off to the nearest Rupees Crores (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

2 Critical Estimates And Judgement

The preparation of standalone financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and reported amounts of assets, liabilities, income, expense and disclosure of Contingent assets and liabilities at the date of these standalone financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revision to accounting estimates are recognised in the period in which the estimates is revised and future period impacted.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements:-

The areas involving critical estimates of judgments are:

Employee Benefits(Estimation of defined benefit obligation) - Note 1 Q and 32 A

Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations, funding requirements and benefit costs incurred.

Impairment of trade receivables - Note 1 L and 10

The risk of uncollectability of accounts receivable is primarily estimated based on prior experience with, and the past due status of doubtful debtors, while large accounts are assessed individually based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the valuation allowance are reviewed periodically.

Estimation of expected useful lives and residual values of property, plants and equipment - Notes 1 E and 3 A

Property, plant and equipment are depreciated at historical cost using straight line method based on the estimated useful life, taken into account at residual value. The asset's residual value and useful life are based on the Company's best estimates and reviewed, and adjusted if required, at each Balance Sheet date.

Contingent Liabilities - Note 1 R and 27

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Fair Value Measurements - Note 1 I (vi) and 44

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 values are measured using valuation techniques which involve various judgements and assumptions.



Apeejay Surrendra Park Hotels Limited
Notes to the Financial Statements

All amounts in Rupees Crores, unless otherwise stated.

3A. Property, Plant and Equipment

	Freehold Land	Leasehold Land	Buildings (Refer (a) and (b) below)	Plant and Equipment	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installations	Total
Year ended 31 March 2016										
Gross carrying amount	110.04	228.88	516.22	120.39	1.70	29.54	11.01	4.86	32.15	1,054.79
Deemed cost as at 1 April, 2015	-	-	6.52	1.64	-	-	-	-	0.36	8.52
Exchange differences	-	-	6.87	6.87	0.53	2.79	2.56	0.66	1.19	24.26
Additions during the year	-	-	(0.15)	(0.09)	(0.08)	(0.06)	(1.07)	-	-	(1.45)
Disposals during the year	-	-	532.25	128.81	2.15	32.27	12.50	5.52	33.70	1,066.12
CLOSING GROSS CARRYING AMOUNT	110.04	228.88	532.25	128.81	2.15	32.27	12.50	5.52	33.70	1,066.12
Accumulated Depreciation	-	2.21	6.32	9.34	0.58	2.75	1.88	0.40	2.04	25.52
Depreciation charge during the year	-	-	(0.02)	(0.05)	(0.07)	(0.05)	(0.72)	-	-	(0.91)
Adjustment of depreciation on disposals	-	-	6.30	9.29	0.51	2.70	1.16	0.40	2.04	24.61
CLOSING ACCUMULATED DEPRECIATION	110.04	226.67	525.95	119.52	1.64	29.52	11.34	5.12	31.66	1,061.51
Net carrying amount	110.04	228.88	532.25	128.81	2.15	32.27	12.50	5.52	33.70	1,086.12
Year ended 31 March 2017										
Gross carrying amount	110.04	228.88	532.25	128.81	2.15	32.27	12.50	5.52	33.70	1,086.12
Opening balance as at 1 April, 2016	-	-	(1.67)	(0.41)	-	-	-	-	(0.12)	(2.20)
Exchange differences	-	-	6.50	10.62	0.38	1.86	0.30	0.38	1.58	21.62
Additions during the year	-	-	-	(0.08)	(0.08)	-	(0.23)	-	-	(0.39)
Disposals during the year	-	-	537.08	135.94	2.45	34.13	12.57	5.90	36.16	1,106.15
CLOSING GROSS CARRYING AMOUNT	110.04	228.88	537.08	135.94	2.45	34.13	12.57	5.90	36.16	1,106.15
Accumulated Depreciation	-	2.21	6.30	9.29	0.51	2.70	1.16	0.40	2.04	24.61
Depreciation charge during the year	-	2.21	6.48	9.90	0.45	2.91	1.86	0.31	2.11	26.23
Adjustment of depreciation on disposals	-	-	(0.03)	(0.03)	(0.08)	-	(0.21)	-	-	(0.32)
CLOSING ACCUMULATED DEPRECIATION	110.04	4.42	12.78	19.16	0.88	5.61	2.81	0.71	4.16	50.52
Net carrying amount	110.04	224.46	524.30	119.78	1.57	28.52	9.76	5.19	31.01	1,054.63

* Below rounding off norms

(a) Gross Block of Buildings include cost of construction of Rs. 0.95 Crores (31st March, 2016 - Rs. 0.95 Crores, 1st April, 2015 - Rs. 0.95 Crores) in other area [Ref note 39(c)].

(b) Includes certain portion of a Building given under operating lease, the particulars of which are given below:

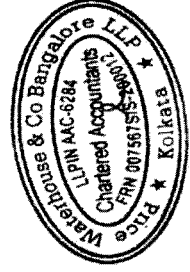
Particulars	As on		As on	
	31 March, 2017	31 March, 2016	1 April, 2015	1 April, 2015
Gross Block	4.35	4.35	4.35	4.35
Accumulated Depreciation	0.25	0.13	-	-
Year ended	Year ended	Year ended	Year ended	Year ended
31 March, 2017	31 March, 2016	31 March, 2016	31 March, 2016	31 March, 2016
0.12	0.13	0.13	0.13	0.13

(c) The Company has borrowings from banks which carry charge over certain of the above property, plant and equipment. (Refer note 47 for details).

(d) Title deeds of the immovable properties set out in the above table are in the name of Gemini Hotels & Holdings Limited (GHHL)/New Bombay Park Hotels Private Limited (NBPHPL)/Andhra Hotels Private Limited (AHPPL) except as set out below which are in the name of the Company. The immovable properties of GHHL got transferred to and vested in Budget Hotels Limited (BHL) vide scheme of Arrangement and Amalgamation in 2003. The name of BHL, a Company incorporated in 1987, got changed to Apeejay Surrendra Park Hotels Limited (ASPHL) in 2004. Further, interalia the immovable properties NBPHPL and AHPPL got transferred to and vested in ASPHL vide scheme of Arrangement and Amalgamation in 2010. Name change in such title deeds is in process. Title deeds of the immovable properties set out in the above table, which are in the name of the Company are:

Land and Building
Gross Block 736.39
Net Block 725.35

(e) Aggregate amount of depreciation has been included under depreciation and amortization expenses in the Statement of Profit and Loss (Refer note 34).



Apeejay Surrendra Park Hotels Limited

Notes to the Financial Statements

All amounts in Rupees Crores, unless otherwise stated.

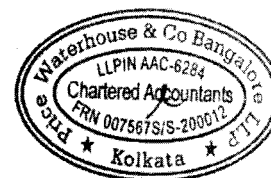
3B Capital work-in-progress

	Total
Year ended 31 March 2016	
Opening gross carrying amount as at 1 April, 2015	26.36
Additions during the year	19.87
Capitalisation during the year	(16.41)
CLOSING GROSS CARRYING AMOUNT	29.82
Year ended 31 March 2017	
Opening gross carrying amount as at 1 April, 2016	29.82
Additions during the year	12.92
Capitalisation during the year	(13.37)
CLOSING GROSS CARRYING AMOUNT	29.37

3C Intangible assets

	Computer Softwares - Acquired	Design	Total
Year ended 31 March 2016			
Gross carrying amount			
Deemed cost as at 1 April 2015	1.10	0.87	1.97
Additions during the year	0.55	-	0.55
Disposals during the year	-	-	-
CLOSING GROSS CARRYING AMOUNT	1.65	0.87	2.52
Accumulated Amortisation			
Amortisation charge during the year	0.69	-	0.69
Adjustment of amortisation on disposals	-	-	-
CLOSING ACCUMULATED AMORTISATION	0.69	-	0.69
Net carrying amount	0.96	0.87	1.83
Year ended 31 March 2017			
Gross carrying amount			
Opening balance as at 1 April, 2016	1.65	0.87	2.52
Additions during the year	0.90	-	0.90
Disposals during the year	-	-	-
CLOSING GROSS CARRYING AMOUNT	2.55	0.87	3.42
Accumulated amortisation			
Opening balance as at 1 April, 2016	0.69	-	0.69
Amortisation charge during the year	0.65	-	0.65
Adjustment of amortisation on disposals	-	-	-
CLOSING ACCUMULATED AMORTISATION	1.34	-	1.34
Net carrying amount	1.21	0.87	2.08

Amortisation has been included under depreciation and amortisation expenses in the Statement of Profit and Loss (Refer note 34).



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
4 Non-current investments			
Investment in Equity Instruments (fully paid-up) - Subsidiary Company :			
Unquoted			
5,200 Equity Shares (31 March, 2016 - 5,200, 1 April, 2015 - 5,200) of Rs. 10 each fully paid up in Apeejay Charter Private Limited	0.01	0.01	0.01
Investment in Equity Instruments (fully paid-up) - Joint Ventures :			
Unquoted			
867 Common Shares (31 March, 2016 - 1,846, 1 April, 2015 - 1,846) of GBP 1 each fully paid up in Apeejay Tea (Panama) Inc #	-	0.01	0.01
400 Equity Shares (31 March, 2016 - 400, 1 April, 2015 - 400) of Euro 1 each fully paid up in Apeejay Hotels (Panama) Inc	*	*	*
Investment in Equity Instruments (fully paid-up) - Other Body Corporates			
Quoted			
Equity Investments at Fair Value Through Profit or Loss (FVTPL)			
5,625 Equity Shares (31 March, 2016 - 5,625, 1 April, 2015 - Nil) of Rs. 30 each fully paid up in Tulsyan NEC Limited	0.01	0.01	-
Unquoted			
Equity Investments at FVPL			
10 Equity Shares (31 March, 2016 - 10, 1 April, 2015 - 10) of Rs. 10 each fully paid up in Artistry House Private Limited	*	*	*
15,000 Equity Shares (31 March, 2016 - 24,000, 1 April, 2015 - 24,000) of Rs. 10 each fully paid up in Green Infra Wind Farms Limited	0.02	0.02	0.02
12,000 Equity Shares (31 March, 2016 - 12,000, 1 April, 2015 - 12,000) of Rs. 10 each fully paid up in Green Infra Wind Generation Limited	0.01	0.01	0.01
12,000 Equity Shares (31 March, 2016 - 12,000, 1 April, 2015 - 12,000) of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.01	0.01	0.01
867 Common Shares (31 March, 2016 - 1,846, 1 April, 2015 - 1,846) of GBP 1 each fully paid up in Apeejay Tea (Panama) Inc #	*		
	0.06	0.07	0.06
Aggregate amount of market value of quoted investments	0.01	0.01	-
Aggregate amount of unquoted investments	0.05	0.06	0.06
*Below rounding off norms			
# On 27th March 2017, the Company has transferred 979 shares, out of total holding of 1846 shares, in Apeejay Tea (Panama) Inc at GBP 1 (at cost) to Apeejay Tea Limited as a result of which the investment of the Company in Apeejay Tea (Panama) Inc decreased from 33% to 15.50%. Due to the aforesaid transaction, Apeejay Tea (Panama) Inc ceased to be a joint venture of the Company from the said date.			
5 Loans - Non-current			
Unsecured, considered good			
Security Deposit	6.00	5.46	5.06
Loan to a Body Corporate	-	1.77	1.77
Other Loans			
Loan to Employees	0.13	0.13	0.07
Unsecured and considered doubtful			
Loan to a Body Corporate	1.77	-	-
Less: Allowance for doubtful loans	(1.77)	-	-
	6.13	7.36	6.90
6 Other financial assets - Non-current			
Unsecured considered good, unless otherwise stated			
Derivative Instruments not designated as hedges \$			
Option and Interest rate swaps	0.90	-	-
Margin Money with Banks	2.28	2.23	2.30
	3.18	2.23	2.30
\$ Financial assets carried at fair value through profit or loss			



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in **₹ Crores**, unless otherwise stated.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
7 Non-current tax assets (net)			
Advances payment of Taxes			
Net of provision for taxation Rs. 4.64 Crores (31 March, 2016 - Rs. 2.35 Crores, 1 April, 2015 - Rs. 7.09 Crores)	9.70	8.68	6.05
	9.70	8.68	6.05
8 Other Non-current assets			
Unsecured considered good, unless otherwise stated			
Capital advances	14.51	12.05	17.06
Advances to Suppliers/ Service providers (other than capital)			
- Considered Good :	-	0.81	0.81
- Considered Doubtful :	0.81	-	-
Less: Allowance for doubtful advances	(0.81)	-	-
Others			
Deferred Staff Cost	0.03	0.02	0.01
Balance with Government Authorities	6.32	6.32	6.32
Prepaid Expenses	0.20	0.15	0.30
	21.06	19.35	24.50
9 Inventories			
(at Lower of Cost and Net Realizable Value)			
Provisions, Beverages (excluding Wine and Liquor) and Snacks	1.44	1.52	1.17
Wine and Liquor	7.48	6.27	6.65
Crockery, Cutlery, Glassware, Linen, etc.	1.90	1.77	1.59
Stores and Spares Parts	3.63	3.20	2.77
	14.45	12.76	12.18
10 Current Investments			
Investments in Mutual Funds #			
Unquoted			
Nil (31 March, 2016 - Nil, 1 April, 2015 - 22211.52) Units of Rs. 10 each of HDFC Floating Rate Income Fund Short Term Plan-Wholesale Option Dividend Re-investment			0.02
			0.02
# Investments carried at Fair value through profit or loss			
11 Trade receivables			
Unsecured			
Receivables from a related party (refer note 38)			
- Considered Good	0.01	0.01	-
Receivables from customers other than related parties			
- Considered Good	26.45	27.53	23.72
- Considered Doubtful	5.60	4.76	4.64
Less: Allowance for Doubtful Debts/ Expected Credit Loss	(5.60)	(4.76)	(4.64)
	26.46	27.54	23.72
* Below rounding off norms			
12 Cash and cash equivalents			
Cash on hand [Refer (a) below]	1.70	0.96	0.93
Cheques on hand	0.10	0.01	0.10
In current accounts	1.20	2.15	1.92
Term deposits [maturing within 3 months from the year end]	0.02	0.01	-
	3.02	3.13	2.95
(a) Cash on hand includes credit card charge slips and foreign currency on hand of Rs. 1.27 Crores (31 March, 2016 - 0.63 Crores, 1 April, 2015 - Rs. 0.57 Crores).			
There are no repatriation restriction with regard to Cash and cash equivalents as at the end of the reporting period and prior periods.			
12A Other bank balances			
Term Deposits with maturity more than 3 months and up to 12 months	0.39	0.47	0.43
	0.39	0.47	0.43



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
13 Loans - Current			
Unsecured, considered good			
Security Deposits	6.15	6.04	5.93
Loan to a Body Corporate	22.00	-	-
Other Loans			
Loan to Employees	0.23	0.30	0.35
	28.38	6.34	6.28
14 Other financial assets - Current			
Unsecured considered good, unless otherwise stated			
Insurance Claim Receivable	-	10.10	2.40
Interest accrued on deposits and loans			
- Considered Good	1.62	2.08	1.62
- Considered Doubtful	1.07	-	-
Less: Allowance for doubtful receivables	(1.07)	-	-
Miscellaneous receivable	2.88	2.26	1.96
	4.50	14.44	5.98
15 Other current assets			
Unsecured considered good, unless otherwise stated			
Advances (other than capital)			
Advance to Suppliers/Service providers (other than capital)			
- Considered Good :	6.58	6.39	5.73
- Considered Doubtful :	0.28	-	-
Less : Allowance for Doubtful Advances	(0.28)	-	-
Advance to Employees			
- Considered Good :	0.17	1.50	1.55
- Considered Doubtful :	0.85	-	-
Less : Allowance for Doubtful Advances	(0.85)	-	-
Advance to a related party (refer note 38)	0.13	0.09	0.05
Other			
Prepaid Expenses	5.64	5.71	4.11
Accrued duty exemption benefit \$	5.18	6.55	9.22
Deferred Staff Cost	0.03	0.02	0.01
Balances with Government Authorities \$\$			
- Considered Good :	7.11	6.14	5.29
- Considered Doubtful :	0.08	-	-
Less : Allowance for Doubtful Advances	(0.08)	-	-
	24.84	26.40	25.96

\$ Accrued duty exemption benefit consist of amounts receivable towards Served From India Scheme (SFIS) on account of free foreign exchange earned during the financial year.

\$\$ Balances with Government Authorities primarily include amounts realisable from the excise, service tax and value added tax, the unutilised excise input credits on purchases. These are generally realised within one year or regularly utilised to offset the service tax liability and value added tax liability of the Company. Accordingly, these balances have been classified as current assets.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

16 Equity share capital

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Authorised Share Capital: 20,000,000 (31 March, 2016: 20,000,000, 1 April, 2015: 20,000,000) equity shares of Rs. 10 each	20.00	20.00	20.00
Issued, subscribed and paid-up 18,882,353 (31 March, 2016: 18,882,353, 1 April, 2015: 18,882,353) equity shares of Rs. 10 each fully paid up	18.88	18.88	18.88

(i) There were no change in number of shares during the year ended 31 March, 2017 and 31 March 2016. No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five year.

(ii) **Terms and rights attached to equity shares**
The Company has only one class of equity shares referred to as equity shares having a par value of Rs.10 per share. Each Shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by shareholders holding more than 5 % of the aggregate shares in the Company.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Flurrys Swiss Confectionary Private Limited	5,250,000	5,250,000	5,250,000
	27.80%	27.80%	27.80%
Apeejay Private Limited	3,449,750	3,449,750	3,449,750
	18.27%	18.27%	18.27%
Apeejay Surrendra Trust	3,000,240	3,000,240	3,000,240
	15.89%	15.89%	15.89%
Apeejay Engineering Private Limited	1,450,000	1,450,000	1,450,000
	7.68%	7.68%	7.68%
Apeejay Agencies Private Limited	1,450,000	1,450,000	1,450,000
	7.68%	7.68%	7.68%
Apeejay House Private Limited	1,450,000	1,450,000	1,450,000
	7.68%	7.68%	7.68%
REFS Park Hotel Investors Limited	1,416,177	1,416,177	1,416,177
	7.50%	7.50%	7.50%
RECP IV Park Hotel Investors Limited	1,366,610	1,366,610	1,366,610
	7.24%	7.24%	7.24%

17 Other equity

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Reserves and Surplus			
(i) Capital Reserve	*	*	*
(ii) Securities Premium Reserve	213.87	213.87	213.87
(iii) General Reserve	80.15	80.15	80.15
(iv) Retained Earnings	305.58	296.27	301.25
	599.60	599.29	595.27

	As at 31 March, 2017	As at 31 March, 2016
(i) Capital Reserve [Refer (a) below]		
Balance at the beginning of the year	*	*
Balance at the end of the year	*	*
(ii) Securities Premium Reserve [Refer (b) below]		
Balance at the beginning of the year	213.87	213.87
Balance at the end of the year	213.87	213.87
(iii) General Reserve [Refer (c) below]		
Balance at the beginning of the year	80.15	80.15
Balance at the end of the year	80.15	80.15
(iv) Retained Earnings [Refer (d) below]		
Balance as at the beginning of the year	296.27	301.25
Profit/(Loss) for the year	10.16	(5.10)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment defined benefit obligation, net of tax	(0.85)	0.12
Balance as at the end of the year	305.58	296.27

* Below rounding off norms

- (a) Capital Reserve represents amount arisen pursuant to Scheme of Amalgamation.
(b) Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Act.
(c) General Reserve represents a free reserve not held for any specific purpose.
(d) Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders, as applicable



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
18 Non-current Borrowings:			
Secured [Refer (a) below] :			
Term Loans			
From Banks			
Rupee Loans	313.49	243.72	219.03
Foreign Currency Loans	65.93	88.16	111.90
Total	379.42	331.88	330.93

(a) Security for Secured Loans and Terms of Repayment:

- (i) Rupee Loan from a Bank amounting to Rs. 100.00 Crores (31 March, 2016 - Nil, 1 April, 2015 - Nil) to be secured by way of Equitable Mortgage by deposit of Title Deeds of all the immovable properties of the Company situated at Hyderabad as first charge and also to be secured by way of hypothecation by way of first charge on the entire movable fixed assets situated at Hyderabad, both present and future, ranking pari passu amongst the banks for their Loans. Such loan is repayable from March 31, 2017 in 8 equal quarterly installments of Rs 0.25 Crores, 4 equal quarterly installments of Rs 1.25 Crores, 32 equal quarterly installments of Rs 2.58 Crores and 4 equal quarterly installments of Rs 2.59 Crores.
- (ii) Rupee Loan from a Bank amounting to Rs. 50.00 Crores (31 March, 2016 - Nil, 1 April, 2015 - Nil) to be secured by way of Equitable Mortgage by deposit of Title Deeds of all the immovable properties of the Company situated at Hyderabad as first charge and also to be secured by way of hypothecation by way of first charge on the entire movable fixed assets situated at Hyderabad, both present and future, ranking pari passu amongst the banks for their Loans. Such loan is repayable in 8 equal quarterly installments of Rs 0.13 Crores starting from June 30, 2017, 4 equal quarterly installments of Rs 0.61 Crores, 32 equal quarterly installments of Rs 0.13 crores and 4 equal quarterly installments of Rs 0.13 crores.
- (iii) Rupee Loan from a Bank amounting to Rs. 100.00 Crores (31 March, 2016 - 100.00 Crores, 1 April 2015 - Rs. 72.57 Crores) is secured by way of Mortgage by deposit of Title Deeds of all the immovable properties of the Company situated at Kolkata as first charge and ranking pari passu amongst the banks for their loans. Such loan is repayable starting 31 August, 2017 in 8 quarterly installments of Rs 3.00 crores, 12 quarterly installments of Rs 3.50 Crores, 8 quarterly installments of Rs 3.75 Crores and 1 installment of Rs 4.00 Crores on 31 October, 2022.
- (iv) Foreign Currency Loan from a Bank amounting to Rs.86.61 crores (31 March, 2016 -Rs.109.45 Crores, 1 April, 2015 - Rs 122.95 Crores) is secured by hypothecation by way of first and exclusive charge on all the current assets and movable fixed assets, both present and future, of the Company's unit situated at Bangalore and by way of Equitable Mortgage by deposit of Title Deeds of immovable property of the Company situated at Bangalore. Such loan is repayable in 28 quarterly installments starting from August 26, 2014, 27 installments being of USD 785,714 and the 28th installment being of USD 785,722 (Original amount being USD 2.20 Crores).
- (v) Rupee Loan from a Bank amounting to Rs. 7.50 Crores (31 March, 2016 - Rs. 4.00 Crores, 1 April, 2015 - Nil) is secured by way of Mortgage by deposit of Title Deeds of all the immovable properties of the Company situated at Kolkata as first charge and ranking pari passu amongst the banks for their loans. Such loan is repayable starting 20 December 2018 in 8 quarterly installments of Rs. 1.00 Crores, 4 installments of Rs 1.50 Crores, 8 installments of Rs 3.00 Crores, 8 installments of Rs 4.00 Crores and 1 installment of Rs 5.00 Crores.
- (vi) Vehicle loans aggregating Rs. 1.96 Crores (31 March, 2016 - Rs. 2.52 Crores, 1 April, 2015 - Rs. 2.43 Crores) from Banks are to be secured by way of hypothecation of vehicles financed. Repayable in monthly installments ranging between 36 and 37 numbers.
- (vii) Rupee Loan from a Bank amounting to Rs. Nil (31 March, 2016 - Rs. 150.00 Crores 1 April, 2015 - Rs. 146.00 Crores) was secured by way of Equitable Mortgage by deposit of Title Deeds of all the immovable properties of the Company situated at Hyderabad as first charge and also secured by way of hypothecation by way of first charge on the entire movable fixed assets situated at Hyderabad, both present and future, ranking pari passu amongst the banks for their Loans. Such loan was repayable in 27 equal quarterly installments of Rs 5.50 Crores starting from December 31, 2016 and balance amount of Rs 1.50 Crores as the 28th installment. However, the entire loan has been prepaid.
- (viii) Foreign Currency Loan from a Bank amounting to Rs. Nil (31 March, 2016 - 9.95 Crores 1 April, 2015 - Rs. 28.17 Crores) was secured by way of Equitable Mortgage by deposit of Title Deeds of all the immovable properties of the Company situated at Hyderabad as first charge and also secured by way of hypothecation by way of first charge on the entire movable fixed assets situated at Hyderabad, both present and future, ranking pari passu amongst the banks for their Loans. Such loan was repayable in 10 half yearly installments of USD 0.15 Crores from February 13, 2012 (original amount being USD 1.50 Crores).
- (ix) Interest rates on Rupee Loans are varying in the range of 8% to 11% p.a. Interest rates on Foreign Currency loans are varying in the range of 2% to 5% margin on 3 month LIBOR.
- (x) The amounts stated in footnotes (i) to (vii) above are inclusive of any amounts disclosed under Current Maturities of Long Term Debts, if any.

19 Other Non-current Financial Liabilities

Security Deposit Received	0.03	0.03	0.03
Derivative Instruments not designated as hedges \$			
Option and Interest rate swaps		1.13	1.70
	0.03	1.16	1.73

\$ Financial liabilities carried at fair value through profit or loss

20 Other non-current Liabilities

Deferred Government Grants	23.77	24.11	25.22
	23.77	24.11	25.22



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

21 Deferred tax liabilities (net)

	Balance as at 1 April, 2016	Recognized to Profit or Loss during the year	Balance as at 31 March, 2017
Deferred Tax Liabilities :			
Property, plant and equipments and Intangible Assets	78.85	4.33	74.52
Deferred Staff Cost	0.01	*	0.01
Borrowings	-	(0.32)	0.32
	78.86	4.01	74.85
Deferred Tax Assets :			
Investments	0.01	*	0.01
Financial Assets at Fair value through Profit or Loss - Derivative Financial Instruments	0.33	0.61	(0.28)
Trade receivables	1.47	(0.11)	1.58
Items allowable for tax purpose on payments/adjustment	2.33	(1.06)	3.39
MAT Credit Entitlement	16.71	(2.28)	18.99
	20.85	(2.84)	23.69

Deferred tax liabilities (net)

58.01

51.16

	Balance as at 1 April, 2015	Recognized to Profit or Loss during the year	Balance as at 31 March, 2016
Deferred Tax Liabilities :			
Property, plant and equipments and Intangible Assets	72.64	(6.21)	78.85
Deferred Staff Cost	0.01	-	0.01
	72.65	(6.21)	78.86
Deferred Tax Assets :			
Investments	0.01	*	0.01
Financial Assets at Fair value through Profit or Loss - Derivative Financial Instruments	0.54	0.21	0.33
Trade receivables	1.43	(0.04)	1.47
Items allowable for tax purpose on payments/adjustment	1.29	(1.04)	2.33
MAT Credit Entitlement	15.53	(1.18)	16.71
	18.80	(2.05)	20.85

Deferred tax liabilities (net)

53.85

58.01

Deferred Tax Liabilities and Deferred Tax Assets have been offset as they relate to the same governing taxation laws.

The Company has not recognised deferred tax asset of Rs. 16.79 Crores (31 March 2016 - Rs. 16.79 Crores, 1 April 2015 - Rs. 13.16 Crores) on unused tax losses amounting to Rs. 54.35 Crores (31 March 2016 - Rs. 54.35 Crores, 1 April 2015 - Rs. 42.59 Crores).

* Below rounding off norms



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

21A Tax Expense	Year ended 31 March 2017	Year ended 31 March 2016
a. Income-tax expense recognised in the statement of Profit and Loss		
Current Tax		
Current tax on profits for the year		
Current Tax	2.02	0.29
Less: MAT Credit Entitlement	(2.02)	(0.29)
Adjustments for current tax for earlier years		
- Current Tax	-	-
- MAT Credit Entitlement	-	(0.93)
Total current tax expense	-	(0.93)
Deferred Tax		
Origination and reversal of temporary differences	(4.18)	5.28
Total deferred tax expense (benefit)	(4.18)	5.28
Income-tax expense reported in the Statement of Profit and Loss	(4.18)	4.35
b. Income-tax expense on other comprehensive income		
Current Tax - Remeasurement of post employment defined benefit obligation	-	-
Total current tax expense	-	-
Deferred tax - Remeasurement of post employment defined benefit obligation	0.38	(0.06)
Total deferred tax (expense) / benefit recognised in Other Comprehensive Income	0.38	(0.06)
Income-tax expense recognised in other comprehensive income	0.38	(0.06)
c. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit before income tax	5.98	(0.75)
Enacted income tax rate in India applicable to the Company	30.90%	30.90%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	1.85	(0.23)
Adjustments:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible / Income exempt from tax	2.45	0.30
Income tax written back in respect of earlier years	-	(0.93)
Other items	(8.48)	5.21
Total Income Tax Expense	(4.18)	4.35



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
22 Current Borrowings			
Secured			
Term Loans from Banks			
Commercial Paper [Refer (a) and (b) below]	30.00	30.00	-
Working Capital Loans from Banks [Refer (b) below]	4.03	41.24	53.72
	34.03	71.24	53.72
Unsecured			
From Bank			
Foreign Currency Loan	-	-	9.76
Intercorporate Deposit (Repayable on demand)	7.72	7.72	7.72
	7.72	7.72	17.48
	41.75	78.96	71.20
(a) Balance outstanding as at 31 March, 2017 in respect of Commercial Paper was Rs. 30 Crores (31 March, 2016 - Rs. 30 Crores, 1 April, 2015 - Rs. Nil). Maximum amount outstanding at any time during the year was Rs. 30 Crores (31 March, 2016 - Rs. 30 Crores, 1 April, 2015 - Rs. Nil)			
(b) Working Capital Loans and Commercial Paper from Banks are secured by first charge by way of hypothecation of Stocks and Book Debts, both present and future, of the Company ranking pari passu with the other lenders for their loans.			
23 Trade Payables			
Total outstanding dues to related parties (refer note 38)	0.59	0.33	0.31
Total outstanding dues other than related parties			
(i) Total outstanding dues to micro enterprises and small enterprises (Refer Note 36)	0.06	0.05	0.04
(ii) Total outstanding dues of trade payables other than micro enterprises and small enterprises	42.32	36.07	28.98
	42.97	36.45	29.33
24 Other current financial liabilities			
Current maturities of long-term debt Refer Note 18	31.27	42.16	38.57
Interest accrued	0.67	2.46	2.33
Temporary Book Overdraft	-	0.95	0.73
Capital Liabilities	1.87	1.93	3.08
Employees Benefits payable	13.56	11.57	9.20
Liability for expenses	3.20	4.99	2.97
Security Deposits Received	0.12	0.12	0.13
	50.69	64.18	57.01
25 Provisions			
Provision for Employees Benefits			
Provision for Gratuity	4.07	1.96	1.48
Provision for compensated absences	2.89	2.40	2.07
	6.96	4.36	3.55
26 Other current liabilities			
Statutory dues (including Provident Fund, Tax deducted at Source, etc.)	7.11	7.19	7.78
Advance from Customers	4.96	5.25	4.51
Deferred Government Grants	0.95	1.21	1.19
	13.02	13.65	13.48



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
27 Contingent Liabilities			
(a) Claims against the Company not acknowledged as debt			
Disputed Tax and Duty for which the Company has preferred appeal before appropriate authorities.			
Demand for Land Tax	0.25	0.25	0.25
Demand for Entertainment Tax	11.82	11.45	10.97
Demand for Service Tax	1.72	1.72	1.72
(b) Guarantees			
Bank Guarantees Given to Customs and Other Authorities	0.53	0.36	0.31
Corporate Guarantee given by the Company to Customs Authorities on behalf of subsidiary for fulfilment of their export obligation	0.84	0.84	0.84
(c) Property Tax demand by New Delhi Municipal Council (NDMC) for earlier year was inter alia contested by the Company before the Hon'ble High Court of Delhi. The Hon'ble High Court had quashed the impugned Order of NDMC and set aside with a direction to NDMC for fresh assessment, pending which further liability, if any, in this regard, is not currently determinable according to a legal opinion obtained by the Company.			
(d) The Company had received a demand during the year 2012-13 amounting to Rs.5.41 Crores from Land & Development Office (LDO), Ministry of Urban Development, Government of India, to regularise the alleged breaches relating to the property of New Delhi. This was the first time Company had received such demand letter despite inspection of the said property carried out by the authority. Based on the communication received from LDO, the demand had been raised with retrospective effect from 1985. Based on a legal opinion obtained by the Company, the alleged demand is questionable, arbitrary and not tenable. The Company has disputed the alleged claim and the matter is pending before LDO.			
(e) In respect of the contingent liabilities mentioned in Note (a),(c) and (d) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note (b) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursements in respect of the above contingent liabilities.			
28 Commitments			
(a) Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	12.45	10.63	9.91
(b) Other Commitments			
Estimated amount of export obligation (The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill the quantified export)	224.00	229.37	247.43



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

	Year ended 31 March, 2017	Year ended 31 March, 2016
29 Revenue from Operations		
Sale of Services		
Rooms	167.88	144.07
Food and Beverage	74.98	74.42
Wine and Liquor	63.00	51.72
Telephone and Telex Services	0.40	0.51
Other Services (Banquet, spa, entry fees etc.)	29.28	30.12
	335.54	300.84
Other Operating Revenue		
Management Fees	3.92	2.86
Shop Rentals	2.26	2.26
Accrued duty exemption entitlement and other benefits	5.18	-
Membership and Subscription Fees	1.56	1.96
	12.92	7.08
Total Revenue From Operations	348.46	307.92
30 Other Income		
Interest on advances and deposits	0.85	0.82
Commission	0.32	0.30
Rental Income	0.72	0.63
MTM Gain	2.06	0.57
Dividend income from equity instruments Fair Value through profit or loss	-	-
Liabilities no longer required written back	-1.33	-1.26
Provision for Doubtful Debts no longer required written back	-0.02	-0.13
Miscellaneous Income	4.12	5.66
Insurance claim received	11.80	16.60
Interest Income on Deferred Employee Loan	0.03	0.02
	21.25	25.99
* Below rounding off norms		
31 Consumption of Provisions, Beverages, Wine/Liquor and Smokes		
(A) Provisions, Beverages (excluding Wine and Liquor) and Smokes		
Opening Stock	1.52	1.17
Add: Purchases	37.75	36.30
	39.27	37.47
Deduct: Closing Stock	1.44	1.52
	37.83	35.95
(B) Wine and Liquor		
Opening Stock	6.27	6.65
Add: Purchases	19.76	18.07
	26.03	24.72
Deduct: Closing Stock	7.48	6.27
	18.55	18.45
Total Consumption	56.38	54.40
32 Employees Benefits Expense		
Salary, Wages and Bonus	66.44	59.03
Contribution to Provident and Other Funds	3.30	2.98
Contribution to Gratuity Funds	0.92	0.74
Staff Welfare Expenses	5.60	5.27
	76.26	68.02



Year ended 31 March 2017 Year ended 31 March 2016

32 A Employee Benefits

(a) Post Employment Defined Contribution Plans

Amount recognised in the Statement of Profit and Loss
Contribution to Provident Fund and pension fund

	3.30	2.98
	<u>3.30</u>	<u>2.98</u>

(b) Leave Obligations

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number days of unutilised leave at each balance sheet date on the basis of year-end actuarial valuation using projected unit credit method. The scheme is unfunded.

(c) Post Employment Defined Benefit Plan-Gratuity (Funded)

The Company provides for Gratuity, a defined benefit post employment plan covering eligible employees and has a Trust Fund in this connection under group administration plan. As per the scheme, the Gratuity Trust Fund managed by the HDFC Standard Life Insurance makes payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to the last drawn eligible salary for fifteen days for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. However, the condition of such vesting is not applicable in the event of retirement at / after normal retirement date and early retirement owing to ill health/death. Liabilities with regard to the Gratuity Plan have been determined by actuarial valuation as set out in Note 1 (Q) above, based upon which, the Company makes contribution to the Gratuity Fund:

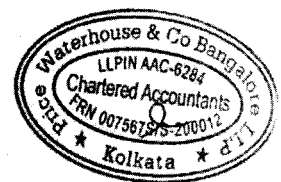
The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company for the year ended 31 March, 2017 :

	Present value of obligation	Fair value of plan assets	Net Amount
(H) 1 April 2015	6.75	(5.27)	1.48
Current Service cost	0.67	-	0.67
Interest cost/Income	(0.59)	(0.43)	0.07
Total amount recognised in Profit or Loss	1.17	(0.43)	0.74
Remeasurements (gains)/losses			
- Change in Financial assumptions	0.01	-	0.01
- Experience Variance (i.e Actual Experience vs assumptions)	(0.26)	-	(0.26)
- Return on plan asset, Excluding amount recognised in net interest expense	-	0.07	0.07
Total amount recognised in Other Comprehensive Income	(0.25)	0.07	(0.18)
Contributions by employer	-	(0.08)	(0.08)
Benefits paid	(1.05)	1.05	-
31 March 2016	6.62	(4.66)	1.96
(HI) 1 April 2016	6.62	(4.66)	1.96
Current Service cost	0.81	(0.12)	0.69
Interest cost/Income	0.46	(0.23)	0.23
Total amount recognised in Profit or Loss	1.27	(0.35)	0.92
Remeasurements (gains)/losses			
- Change in Financial assumptions	0.27	-	0.27
- Experience Variance (i.e Actual Experience vs assumptions)	0.93	-	0.93
- Return on plan asset, Excluding amount recognised in net interest expense	-	0.03	0.03
Total amount recognised in Other Comprehensive Income	1.20	0.03	1.23
Contributions by employer	-	(0.04)	(0.04)
Benefits paid	(0.97)	0.97	-
31 March 2017	8.12	(4.06)	4.07

The expected return on plan assets is determined after taking into consideration composition of plan assets held, assessed risks of unit management, historical results of return on plan assets, Company's policies for plan asset management and other relevant factors.

(III) The net liability disclosed above relates to the aforesaid Gratuity Plan (Funded) is as follows:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:			
Present Value of funded obligation at the end of the year	8.12	6.62	6.75
Fair Value of Plan Assets at the end of the year	(4.03)	(4.66)	(5.27)
Net Liability recognised in the Balance Sheet	4.07	1.96	1.48



(IV) Principal Actuarial Assumption Used:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Discount Rates	7.50%	8.00%	8.00%
Expected Salary increase rates #	5.00%	5.00%	5.00%
Inflation Rate	5.00%	5.00%	5.00%
Mortality table	IALM(06-08) Ultimate	IALM(06-08) Ultimate	IALM(06-08) Ultimate

The estimate of future salary increases considered in actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

The Company ensures that the investment positions are managed within an Asset - Liability Matching (ALM) framework that has been developed to achieve investment that are in line with the obligation under the Gratuity scheme. Within this framework the Company's ALM objective is to match asset with gratuity obligation. The Company actively monitor how the duration and the expected yield of instruments are matching the expected cash outflow arising from the gratuity obligations. The Company has not changed the process used to manage its risk from previous periods. The Company does not use derivatives to manage its risk. The gratuity scheme is funded with LIC which has good track record of managing fund.

(V) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Insurer managed funds	100%	100%	100%
-----------------------	------	------	------

(VI) Category of Plan Assets

Fund with HDFC Standard Life	4.05	4.66	5.27
Total	4.05	4.66	5.27

Maturity Profile of Defined Benefit Obligation

The contribution expected to be made by the Company for the year ending 31 March 2018 is Rs. 7.25 crores

The expected maturity analysis of undiscounted gratuity benefit is as follows:

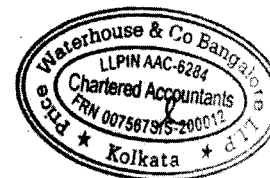
	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2017					
Defined benefit obligation	2.33	2.18	3.21	9.03	16.75
As at 31 March 2016					
Defined benefit obligation	1.94	1.35	3.11	7.66	14.36
As at 1 April 2015					
Defined benefit obligation	2.50	1.35	2.68	7.03	13.57

(VII) Sensitivity Analysis

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at 31 March 2017		As at 31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	7.84	8.42	6.40	6.86
% Change Compared to base due to sensitivity	-2.85%	3.10%	-2.78%	3.03%
Salary Growth Rate (-/+ 0.5%)	8.42	7.84	6.87	6.39
% Change Compared to base due to sensitivity	3.15%	-2.92%	3.09%	-2.85%
Attrition Rate (-/+ 10%)	8.11	8.08	6.62	6.52
% Change Compared to base due to sensitivity	-0.04%	0.04%	-0.01%	0.01%
Mortality Rate (-/+ 10%)	8.10	8.05	6.62	6.52
% Change Compared to base due to sensitivity	0.04%	-0.04%	0.03%	-0.03%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit, the most significant of which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk : This is the risk that the Company is not able to meet the short term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk : Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts e.g. increase in the maximum limit on gratuity of Rs. 10,00,000 and upward revision of maximum gratuity limit will result in gratuity plan obligation.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

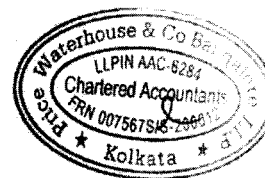
All amounts in Rupees Crores, unless otherwise stated.

	Year ended 31 March, 2017	Year ended 31 March, 2016
33 Finance costs		
Interest Expenses on		
Borrowings from Banks and Others	43.87	41.50
Others	0.05	1.42
Other Borrowing Cost - Processing charges	-	0.10
Applicable net loss on foreign currency transactions and translation	-	0.48
	43.92	43.50
34 Depreciation and amortisation expense		
Depreciation on property, plant and equipments	26.23	25.52
Amortisation of intangible assets	0.65	0.69
	26.88	26.21
35 Other Expenses		
Power and Fuel	31.33	31.31
Rent	1.77	1.58
Rates and Taxes	12.41	11.70
Insurance	2.54	1.93
Apartment Expenses	14.72	11.99
Guest Supplies	5.37	4.57
Replacement of Cutlery, Crockery, Glassware etc.	1.09	1.17
Advertisement and Sales Promotion	8.18	8.95
Commission	8.18	6.17
Repairs to Buildings	3.13	3.08
Repairs to Machinery	4.38	5.82
Repairs to Others	5.43	5.37
Printing and Stationery	1.72	1.65
Postage, Telephone and Telex	2.32	2.29
Legal and Professional Charges	10.92	9.48
Travelling and Conveyance	7.96	7.83
Loss on Disposal / Sale of Tangible Assets	0.03	0.39
Bad Debts / Advance Written Off	0.25	*
Provision for Doubtful Debts and Advances	5.76	0.25
Net Loss on foreign currency transaction/translation	*	0.49
Royalty	10.57	9.49
Strategic Advisory and Consultancy Fees	5.89	6.12
Fair Value loss on financial assets (investments) at FVTPL	*	0.01
Miscellaneous expenses	15.77	10.38
Payments to auditors (refer note 35 A below)	0.57	0.51
	160.29	142.53

* Below rounding off norms

35 A Details of Payment to Auditors

Payment to auditors		
As Auditors		
- Audit Fee for Standalone Financial Statements	0.33	0.33
- Consolidated Financial Statements	0.05	0.05
In other capacities		
- Other Matters (Certificates etc.)	0.13	0.11
- Out of Pocket Expenses	0.01	0.01
- Service Tax	0.05	0.01
	0.57	0.51



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

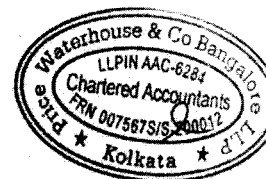
All amounts in Rupees Crores, unless otherwise stated.

36 Information relating to Micro and Small and Medium Enterprises (MSMEs)

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year			
Principal	0.06	0.05	0.04
Interest	0.01	0.03	0.01
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year			
Principal	-	-	-
Interest	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	0.01	-	0.01
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	0.10	0.09	0.06
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.01	0.05	0.02

37 Computation of Earning per Equity Share

	As at 31 March, 2017	As at 31 March, 2016
(a) (i) Number of Equity Shares at the beginning of the year	18,882,353	18,882,353
(ii) Number of Equity Shares at the end of the year	18,882,353	18,882,353
(iii) Weighted average number of Equity Shares outstanding during the year	18,882,353	18,882,353
(iv) Face Value of each Equity Share Rs.	10	10
(b) Profit/(Loss) after tax attributable to Equity Shareholders	10.16	(5.10)
(c) Basic and Diluted Earnings/(Loss) per Share [(b)/(a)(iii)] - Rs.	5.38	(2.70)



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

38 Related Party Disclosures

Related party disclosures pursuant to Ind AS 24.

(i) **Related Parties**

(a) **Subsidiary**

Apeejay Charter Private Limited

(b) **Joint Venture**

Apeejay Tea (Panama) Inc. (upto 26th March, 2017)
Apeejay Hotels (Panama) Inc.

(c) **Key Management Personnel**

Mr. Vijay Dewan
Ms. Priya Paul
Mr. Karan Paul
Mr. Francis H Dyckman
Mr. Ashoke Ghosh
Mr. Ashok Narain Mathur
Mr. Pranab Kumar Choudhury
Mr. Debanjan Mandal

Relationship

Managing Director
Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director
Non-executive Director

(d) **Other**

Flurys Swiss Confectionary Private Limited

Relationship

Investing Party in respect of which the Company is an Associate

(iii) **Particulars of Transactions with Related Parties**

	Year ended 31 March, 2017	Year ended 31 March, 2016
A) Subsidiary Company		
- Hiring Charges	0.03	0.02
B) Investing Party in respect of which the Company is an Associate		
- Purchase of Confectionery etc.	0.81	0.55
- Sale of Services	0.02	*
- Royalty	0.01	0.03
- Recovery of Expenses	-	0.09
- Reimbursement of Expenses	0.04	0.06
C) Key management personnel of the Company		
- Managerial Remuneration to Mr. Vijay Dewan		
Short-term employment benefits	2.90	2.29
Post-employment benefits	0.48	0.27
- Sitting Fees		
Ms. Priya Paul	*	*
Mr. Karan Paul	*	*
Mr. Francis H Dyckman	*	*
Mr. Ashoke Ghosh	*	*
Mr. Ashok Narain Mathur	0.01	*
Mr. Pranab Kumar Choudhury	0.01	*
Mr. Debanjan Mandal	*	-

(iii) **Balances Outstanding as at the year end**

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
A) Subsidiary Company			
- Apeejay Charter Private Limited			
Corporate Guarantee	0.84	0.84	0.84
Investments	0.01	0.01	0.01
Trade Payable	-	*	0.02
B) Investing Party in respect of which the Company is an Associate			
- Flurys Swiss Confectionery Pvt. Ltd			
Trade Receivables	0.01	0.01	-
Advances	0.13	0.09	0.05
Trade Payables	0.59	0.33	0.29
C) Joint Venture			
- Apeejay Tea (Panama) Inc.			
Investments	-	0.01	0.01
- Apeejay Hotels (Panama) Inc.			
Investments	*	*	-

* Below rounding off norms



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

39 Lease Commitments

Operating Lease Commitments

- (a) The Company has entered into cancellable operating lease arrangements for leasing of hotel property, office spaces, furniture and fittings, residential accommodation for employees etc. Tenures of leases generally vary between one and nine years. Terms of such leases include option for renewal on mutually agreed terms, security deposit, and term of cancellation etc. Related lease rentals aggregating Rs. 1.77 Crores (31 March, 2016 - Rs. 1.54 Crores) has been debited to the Statement of Profit and Loss.
- (b) The Company has given a certain portion of a building in Hyderabad under cancellable operating lease. Tenure of such lease extends to 25 years with an option to renew it for a further period of 25 years. This lease agreement inter-alia includes escalation clauses, option for renewals etc. Lease income (rental and service charges) aggregating Rs. 2.09 Crores (31st March, 2016 - Rs. 2.09 Crores) has been recognized in the Statement of Profit and Loss in keeping with lease arrangements.
- (c) The Company has given a certain portion of a building in Badarpur, New Delhi under cancellable operating lease. Tenure of such lease extends to 3 years with an option for renewal for two further tenure of three years each. This lease agreement inter-alia includes escalation clauses, option for renewals etc. Lease income (rental charges) aggregating Rs. 0.18 Crores (31 March, 2016 - Rs. 0.18 Crores) has been recognized in the Statement of Profit and Loss in keeping with lease arrangements.

40 The Company is mainly engaged in the single segment business of Hoteliering in India.

41 Pending completion of relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Schemes of Amalgamations given effect to in earlier years, such assets and liabilities remain included in the books of the Company under the name of the transferor companies.

42 CSR Expenditure

	Year ended 31 March, 2017	Year ended 31 March, 2016
(a) Gross amount required to be spent by the Company during the year	0.03	0.18
(b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) Purposes other than i) above	0.30	0.19



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

43 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital, all other equity reserves and long term borrowed capital less reported cash and cash equivalents.

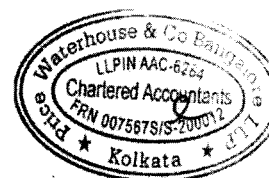
The primary objective of the Company's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.

The Company's policy is to borrow primarily through banks to maintain sufficient liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Company. The Company monitors capital on the basis of cost of capital. The Company is subject to externally imposed capital requirements which it has complied during the financial year.

The following table summaries the capital of the Company:

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Non-current Borrowing (including current maturities of long term debt)	410.67	374.04	369.51
Current Borrowing	41.73	78.96	71.20
Less: Cash and cash equivalents	3.02	3.13	2.95
TOTAL BORROWING (NET)	449.40	449.87	437.76
Total equity	618.50	609.18	614.15
TOTAL CAPITAL (EQUITY+ NET DEBT)	1,067.90	1,059.05	1,051.91

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March, 2017 and 31 March, 2016.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

44 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by category

	As at 31 March, 2017			As at 31 March, 2016			As at 1 April, 2015					
	FVPL	FVOCI	Amortised Cost	Total	FVPL	FVOCI	Amortised Cost	Total	FVPL	FVOCI	Amortised Cost	Total
Financial Assets												
Investments												
- Equity Instruments	0.05	-	0.01	0.06	0.05	-	0.02	0.07	0.05	-	0.02	0.07
- Mutual Funds	-	-	-	-	-	-	-	-	0.02	-	-	0.02
Trade receivables	-	-	26.46	26.46	-	-	27.54	27.54	-	-	23.72	23.72
Loans	-	-	22.36	22.36	-	-	2.20	2.20	-	-	2.19	2.19
Cash and cash equivalent	-	-	3.02	3.02	-	-	3.13	3.13	-	-	2.95	2.95
Other bank balances	-	-	0.39	0.39	-	-	0.47	0.47	-	-	0.43	0.43
Derivative Financial Assets	0.90	-	-	0.90	-	-	-	-	-	-	-	-
Security deposits	-	-	12.15	12.15	-	-	11.50	11.50	-	-	10.99	10.99
Other financial assets	-	-	6.77	6.77	-	-	16.67	16.67	-	-	8.27	8.27
Total	0.95	-	71.16	72.11	0.05	-	61.53	61.58	0.07	-	48.57	48.64
Financial Liabilities												
Borrowings	-	-	421.16	421.16	-	-	410.85	410.85	-	-	402.13	402.13
Current maturities of long-term debt	-	-	31.27	31.27	-	-	42.16	42.16	-	-	38.57	38.57
Interest accrued	-	-	0.67	0.67	-	-	2.46	2.46	-	-	2.33	2.33
Derivative Financial Liabilities	-	-	-	-	1.13	-	-	-	1.13	-	-	1.13
Trade payables	-	-	42.97	42.97	-	-	36.45	36.45	-	-	29.33	29.33
Other financial liabilities	-	-	18.79	18.79	-	-	19.58	19.58	-	-	16.15	16.15
Total	-	-	514.86	514.86	1.13	-	611.50	612.63	1.70	-	488.51	490.21



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

(ii) Fair Value

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

(a) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(b) In respect of investments in listed equity instruments, the fair values represents quoted market price at the Balance Sheet date.

In respect of investments in unquoted equity instruments, the fair values represents amount calculated using unobservable inputs for the asset or liability.

(c) The fair value of derivative contracts (Options and Interest rate swaps) is determined basis confirmation from counterparty in conformity with the contract as at the Balance Sheet date.

(d) The management assessed that fair values, of trade receivables, loans (current), cash and cash equivalents, other bank balances, security deposits, other financial assets (current), current borrowings, trade payables and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments. Further, management also assessed the carrying amount of certain non-current financial liabilities and non-current borrowings at floating interest rates which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

(iv) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. Explanation of each level follows underneath the table :

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at 31 March, 2017			As at 31 March, 2016			As at 1 April, 2015					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Financial Assets at FVPL												
Investments												
- Equity Instruments	0.01	-	0.04	0.05	0.01	-	0.04	0.05	-	-	0.04	0.04
- Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	0.02
Derivative Financial Assets	-	0.90	-	0.90	-	-	-	-	-	-	-	-
Total	0.01	0.90	0.04	0.95	0.01	-	0.04	0.05	-	-	0.04	0.06
Financial Liabilities												
Derivative Financial Liabilities	-	0.03	-	-	-	0.03	-	1.13	-	0.03	-	1.70
Total	-	0.03	-	-	-	0.03	-	1.13	-	0.03	-	1.70

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have net asset value as stated by the issuers in the published statements. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1, level 2 or level 3 fair value measurements during the year ended 31 March, 2017 and 31 March, 2016.

Some of the Company's financial assets are carried at fair value for which Level 3 inputs have been used.

Valuation inputs and relationship to fair value and Valuation process :

As per the company policies, whenever any investment is made by the company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.

Investment in unquoted equity shares in Green Infra Wind Farms Limited, Green Infra Wind Generation Limited and Green Infra Wind Power Generation Limited amounting to Rs. 0.04 Crores (31 March, 2016 - Rs. 0.04 Crores, 1 April, 2015 - Rs. 0.04 Crores) are not freely transferable with restriction to transfer such shares at cost only. Accordingly, cost of such unquoted shares is considered to be its fair value. During the current year, 9000 equity shares of Green Infra Wind Farms Limited was transferred at cost.

Other investments are not material in nature.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

45 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Company. The Company's principal financial assets include trade and other receivables, loans, investments and cash & cash equivalents that derive directly from its operations.

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk and market risk. The Company seeks to minimize potential adverse effects of these risks by managing them through a structured process of identification, assessment and prioritization of risks followed by coordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimization/mitigation procedures and are reviewed by the Management from time to time. These procedures are reviewed to ensure that executive management controls risks by way of properly defined framework. The Company does not enter into derivative financial instruments for speculative purposes.

(A) Credit Risk

Credit risk refers to risk of financial loss to the Company if customers or counterparties fail to meet their contractual obligations. The Company is exposed to credit risk from its operating activities (mainly trade receivables) and from its investing activities (primarily deposit with banks).

Credit Risk Management

(a) Trade receivables

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the company does not allow any credit period and therefore, is not exposed to any credit risk.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due. The Company has a policy to provide for specific receivables which are overdue for a period over 180 days. On account of adoption of Ind AS 109, the Company also uses expected credit loss model to assess the impairment loss or reversal thereof.

Reconciliation of loss allowance provision – Trade receivables

Particulars	Year ended	
	31 March, 2017	31 March, 2016
Loss allowance at the beginning of the year	4.76	4.64
Change in allowance during the year	0.84	0.12
Loss allowance at the end of the year	5.60	4.76

(b) Deposits and financial assets (Other than trade receivables) :

The Company maintains exposure in Cash and cash equivalents and term deposits with banks. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed on a periodic basis.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

(B) Liquidity Risk

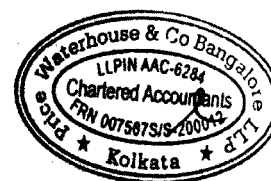
Liquidity risk implies that the Company may not be able to meet its obligations associated with its financial liabilities. The Company manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner and in the currency required at optimal costs. The Management regularly monitors rolling forecasts of the Company's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements.

Additionally, the Company has committed fund and non-fund based credit lines from banks which may be drawn anytime based on Company's fund requirements. The Company maintains a cautious liquidity strategy with positive cash balance and undrawn bank lines throughout the year.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual maturity of financial liability

	Upto 1 year	1 year to 5 year	More than 5 years	Total
31 March, 2017				
Borrowings (including current maturities)	73.47	226.59	155.27	455.33
Trade payable	42.97	-	-	42.97
Other financial liabilities	19.43	-	-	19.43
	135.87	226.59	155.27	517.73
31 March, 2016				
Borrowings (including current maturities)	121.52	266.87	66.50	454.89
Trade payable	36.45	-	-	36.45
Other financial liabilities	22.02	-	-	22.02
	179.99	266.87	66.50	513.36
1 April, 2015				
Borrowings (including current maturities)	110.26	257.07	75.99	443.32
Trade payable	29.33	-	-	29.33
Other financial liabilities	18.45	-	-	18.45
	158.04	257.07	75.99	491.10



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

(C) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and price risk (for equity instruments). The above risks may affect the Company's income and expenses and / or value of its investments. The Company's exposure to and management of these risks are explained below :

(i) Foreign currency risk

The predominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). The Company's reported debt has an exposure to borrowings held in US dollars. Movements in foreign exchange rates can affect the Company's reported profit, net assets.

The Company's risk management policy is hedging of net foreign currency exposure through option contracts.. The objective of the hedging is to eliminate the currency risk due to volatility in exchange rates.

(a) Foreign currency risk exposure

	INR Equivalent of USD as at		
	31 March, 2017	31 March, 2016	1 April, 2015
Foreign currency loan Payables	86.16	118.67	159.63
Forex Structured Option Contracts	(28.87)	(36.48)	(40.98)
Net Exposure to Foreign Currency Risk	57.29	82.19	118.65

(b) Sensitivity

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss before taxes for the year ended 31 March 2017 and 31 March 2016:

USD Sensitivity	Impact on profit before tax	
	FY 2016-17	FY 2015-16
INR/USD - Increase by 5% *	(2.86)	(4.11)
INR/USD - Decrease by 5% **	2.86	4.11

* Holding all other variable constant



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

(II) Interest rate risk

The Company's exposure to risk of change in market interest rates relates primarily to its debt interest obligations. The Company uses interest rate swaps to achieve the company policy of maintaining its borrowings at fixed rate. It's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the cash flows will fluctuate because of a change in market rate interest.

The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the company has agreed to exchange the difference between fixed contract rates and floating rate interest rate amounts calculated by reference to the agreed notional principal amounts.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at		
	31 March, 2017	31 March, 2016	1 April, 2015
Total borrowings (including current maturities)			
Variable rate borrowings	408.71	371.52	367.07
Fixed rate borrowings	13.71	81.49	73.63
	422.42	453.01	440.70

As at the end of the reporting period, the Company had the following variable rate borrowing and interest rate swap contracts outstanding :

	As at		
	31 March, 2017	31 March, 2016	1 April, 2015
Variable rate borrowings	408.71	371.52	367.07
Interest rate swaps (Principal)	(86.61)	(109.45)	(122.95)
Net exposure to cash flow interest rate risk	322.10	262.07	244.12

(b) Sensitivity

	Impact on profit before tax	
	FY 2016-17	FY 2015-16
USD Sensitivity		
Interest Rates - Increase by 50 basis points (50 bps) *	1.62	1.32
Interest Rates - Decrease by 50 basis points (50 bps) *	(1.62)	(1.32)

* Holding all other variable constant

(III) Security Price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

(a) Security price risk exposure

The Company's exposure to securities price risk arises from investments in mutual funds and equity instruments held by the Company and classified in the Balance Sheet as fair value through profit or loss is disclosed under Note 4 and Note 10.

However, the Company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. As per the Company's policies, whenever any investment is made by the Company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement. Further, at the reporting date the Company does not hold material value of quoted securities. Accordingly, the Company is not exposed to significant market price risk.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

46 FIRST TIME ADOPTION OF IND-AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March, 2016 and in the preparation of an opening Ind AS balance sheet at 1 April, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard Rules), 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

1 Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1.1 Ind AS optional exemptions

1.1.1 Deemed Cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. The exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

1.1.2 Investments in subsidiaries

Ind AS 101 permits a first time adopter to elect to measure its investment in subsidiary, joint venture or associate at fair value of such investments at the Company's date of transition to Ind AS or previous GAAP carrying amount at that date and use that as its deemed cost as on the date of transition.

Accordingly the Company has elected to measure its investment in Apeejay Charter Limited (subsidiary), Apeejay Tea (Panama) Inc. (joint venture) and Apeejay Hotels (Panama) Inc. (joint venture) at their previous GAAP carrying amount as on April 1, 2015.

1.1.3 Exchange differences on long-term foreign currency monetary items

Under previous GAAP, exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets were allowed to be adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases were allowed to be accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability). Ind AS 101 includes an optional exemption that allows a first time adopter to continue with the above accounting policy in respect of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1 April, 2016 or to discontinue with such policy.

The Company has availed the aforementioned optional exemption.

1.2 Ind AS mandatory exceptions

1.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:-

- Investments in equity instruments carried at FVPL;
- Impairment of financial assets based on expected credit loss model

1.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of company's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

1.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

2 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 total equity as at 31 March, 2016 and 1 April, 2015

	Notes to first time adoption	As at 31 March, 2016	As at 1 April, 2015
Total Equity (Shareholder's Funds) As Per Previous Gaap		607.08	609.46
Adjustments :			
Fair valuation of investments in equity instruments	2	(0.01)	-
Allowance for expected credit losses on trade receivables	3	(0.28)	(0.25)
Borrowing-transaction cost adjustment	4	1.88	2.62
Employee loan recognised at amortised cost	9	(0.01)	*
Recognition of government grants	1	(1.19)	-
Deferred revenue on Customer Loyalty Programs	7	(1.21)	(1.19)
MTM Gain	5	1.08	0.08
Tax effect of adjustments	6	1.83	3.43
Total Equity As Per Ind As		609.17	614.15

* Below rounding off norms

Reconciliation of total comprehensive income for the year ended 31 March, 2016

	Notes to first time adoption	For the year ended 31 March, 2016
Profit after tax as per previous GAAP		(2.38)
Adjustments :		
Fair valuation of investments in equity instruments	2	(0.01)
Actuarial gain on defined benefit plans considered under Other Comprehensive Income	8	(0.12)
Allowance for expected credit losses on trade receivables	3	(0.03)
Borrowing-transaction cost adjustment	4	(0.74)
Employee loan recognised at amortised cost	9	(0.01)
Recognition of government grants	1	(1.19)
Deferred revenue on Customer Loyalty Programs	7	(0.02)
MTM Gain	5	1.00
Tax effect of adjustments	6	(1.60)
Net profit/(loss) as per Ind AS		(5.10)
Other Comprehensive Income		0.12
Total Comprehensive Income for the period		(4.98)

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash generated from Operating activities	63.60	(3.44)	60.16
Net cash used in Investing activities	(25.62)	3.45	(22.17)
Net Cash used in Financing Activities	(37.80)	(0.01)	(37.81)
Net increase in cash and cash equivalents	0.18	-	0.18
Cash and cash equivalents as at 1 April 2015	2.95	-	2.95
Cash and cash equivalents as at 31 March 2016	3.13	-	3.13



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

3 Notes to first-time Adoption

1 Government Grants

Under previous GAAP the Company has reduced the EPCG grant amount from the cost of PPE. However, under Ind AS, EPCG has been treated as grant relating to income and accordingly, the amount of grant has been set up as deferred income and has been recognised in Profit & Loss account over the period in which the export obligation was met, in respect of unexpired grant on the transition date. The Company has made the corresponding adjustment to the cost of PPE - Rs. 25.22 Crores as on the date of transition. Subsequently, depreciation was charged on the above amounting to Rs. 2.30 Crores and the net cumulative adjustment to PPE as at 31 March 2016 stood at Rs. 22.92 Crores.

Consequent to the above, the total equity as at 31 March 2016 decreased by Rs. 2.30 Crores (1 April 2015 - Nil) and profit for the year ended 31 March, 2016 decreased by Rs. 2.28 Crores.

Accordingly, liability for deferred government grants was recognised in books of account - Rs. 25.22 Crores as at 1 April 2015. Subsequently, basis redemption of export obligation, the liability for deferred government grants stood at Rs. 24.11 Crores as at 31 March 2016.

Consequent to the above, the total equity as at 31 March 2016 increased by Rs. 1.10 Crores (1 April 2015 - Nil) and profit for the year ended 31 March, 2016 increased by Rs. 1.11 Crores.

2 Fair valuation of equity investments

The company holds investment in Equity Shares of entities other than subsidiary and joint ventures. Under previous GAAP, such investments were measured at cost less provision for other than temporary nature diminution in the value of investment. Under Ind AS, these investments have been measured at fair value. The company has categorised these investments as fair value through profit or loss (FVPL) and any changes in fair value of those investment has been recognised in the statement of profit and loss. The Company has made the corresponding adjustment to the amount of investments - Rs. 0.01 Crores as at 31 March 2016. There were no adjustments to the value of investments as on the date of transition.

Consequent to the above, the total equity as at 31 March 2016 decreased by Rs. 0.01 Crores (1 April 2015 - Nil) and profit for the year ended 31 March, 2016 decreased by Rs. 0.01 Crores.

3 Trade receivables

Under Ind AS, the Company is required to apply expected credit loss model for recognising the allowance on trade receivable. As a result, the allowance for expected credit loss was recognised amounting to Rs. 0.28 Crores as at 31 March, 2016 (1 April, 2015- Rs. 0.25 Crores) and consequently, total equity as at 31 March, 2016 and 1 April, 2015 decreased by an equivalent amount. The profit for the year ended 31 March, 2016 decreased by Rs. 0.03 Crores.

4 Borrowings and Other financial liabilities

Under previous GAAP, the transaction costs incurred towards origination of borrowings were charged to statement of profit and loss as and when incurred. However, under Ind AS, these transaction costs are deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the other borrowing cost by applying the effective interest rate method.

Accordingly, non-current borrowings and other financial liabilities as at 31 March, 2016 have been reduced by Rs. 1.48 Crores (1 April, 2015- Rs. 2.13 Crores) and Rs. 0.40 Crores (1 April, 2015 - Rs. 0.49 Crores) respectively with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31 March 2016 decreased by Rs. 0.74 Crores as a result of the additional other borrowing cost.

5 Derivative Instruments

Under previous GAAP, the Company had measured its foreign currency borrowing at the cross currency swap rates and fair valued its derivative contracts in accordance with the ICAI announcement on Accounting of derivatives and accordingly, net gain on derivative instruments was not recognised on the principle of prudence. However, under Ind AS, the Company has measured the derivative instruments at fair value (including gains) at the reporting date. The Company has made the corresponding adjustment by decreasing the amount of Other financial liabilities - Rs. 1.08 Crores and Rs. 0.08 Crores as at 31 March 2016 and 1 April 2015 respectively.

Consequent to the above, the total equity as at 31 March 2016 increased by Rs. 1.08 Crores (1 April 2015 - Rs. 0.08 Crores) and profit for the year ended 31 March, 2016 increased by Rs. 1.00 Crores. Also, the MTM loss of Rs. 0.43 Crores for the year ended 31 March 2016 which was classified under Other Expenses under previous GAAP has been now re-classified and netted off with Other Income on application of Ind AS.

6 Tax effects of adjustments

The Company has recognised deferred tax on the adjustments made on transition to Ind AS. The corresponding adjustments have been made in retained earnings. Company has also recognised deferred tax assets as at the transition date on the carrying amount of MAT credit entitlement as per previous GAAP. Deferred tax on Ind AS adjustments have been charged/credited subsequently to the statement of profit and loss for the year ended 31 March, 2016.

Consequent to the above, total equity as at 31 March, 2016 has decreased by Rs. 1.83 Crores (1 April, 2015 - Rs. 3.43 Crores), profit for the year ended 31 March, 2016 has decreased by Rs. 1.54 Crores and other comprehensive income for the year ended 31 March, 2016 has decreased by Rs. 0.06 Crores which represents deferred tax charge on gain on remeasurements of post-employment benefit obligations.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

7 Deferred revenue on Customer Loyalty Programmes

The company operates customer reward points programme under its hotel business. The programme allows customers to accumulate points on hotel bookings. The points can be redeemed by the customers on future bookings and other services such as dining etc. Under the previous GAAP, the company was not creating provision towards its liability under the programme.

Under Ind AS, sales consideration allocated to the customer reward points/complimentary room nights has been deferred and will be recognised as revenue when the reward points/complimentary room nights are redeemed or lapsed. The consideration to be allocated to the customer reward points/complimentary room nights has been determined considering the past estimated lapses on the basis of past trend. Accordingly, the company has recognised deferred revenue with corresponding adjustment to retained earnings. The Company has made the corresponding adjustment by increasing the amount of Other current liabilities - Rs. 1.21 Crores and Rs. 1.19 Crores as at 31 March 2016 and 1 April 2015 respectively.

Consequent to the above, the total equity as at 31 March 2016 decreased by Rs. 1.21 Crores (1 April 2015 - Rs. 1.19 Crores) and profit for the year ended 31 March, 2016 decreased by Rs. 0.02 Crores.

8 Remeasurement of Post-employment benefit obligations (Net of Tax)

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period.

As result of this change, employee benefit expense for the year ended 31 March, 2016 have been decreased by Rs. 0.12 Crores with the corresponding decrease in the other comprehensive income by Rs. 0.12 Crores. There is no impact on the total equity as at 31 March, 2016.

9 Loan to employees

Under the previous GAAP, loan to employees (that are recovered form of salary or in cash as part of contractual agreement) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued such loans under Ind AS.

Difference between the fair value and transaction value of the loan has been recognised as Deferred Staff Cost. Consequent to this change, the amount of loan to employees decreased by Rs. 0.01 Crores as at 31 March 2016 (1 April 2015 Rs. 0.01 Crores). Deferred staff cost increased by Rs. 0.01 Crores as at 31 March 2016 (1 April 2015 - Rs. 0.01 Crores). Accordingly, other income increased by Rs. 0.01 Crores and employee benefit expenses increased by Rs. 0.02 Crores for the year ended 31 March 2016.

Consequent to the above, the total equity as at 31 March 2016 decreased by Rs. 0.01 Crores (1 April 2015 - Nil) and profit for the year ended 31 March, 2016 decreased by Rs. 0.01 Crores.



Apeejay Surrendra Park Hotels Limited
Notes to financial statements

All amounts in Rupees Crores, unless otherwise stated.

47 Assets pledged as security

The carrying amounts of certain categories of assets pledged as security for current and non-current borrowings pursuant to the requirements of Ind AS 2, Ind AS 16, Ind AS 38 and Ind AS 107:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current Assets			
Financial assets	27.86	28.60	25.05
Non-financial assets			
Inventories	14.45	12.76	12.18
Total current assets pledged as security(A)	42.31	41.36	37.23
Non-current Assets			
Property, Plant and Equipment	495.09	507.41	508.17
Capital Work-in-progress	10.27	8.35	5.90
Intangible Assets	1.07	0.78	0.61
Total non-currents assets pledged as security (B)	506.43	516.54	514.68
Total assets pledged as security (A+B)	548.74	557.90	551.91

48 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016

Particulars	SBNs	Other denomination notes	Total (Per cash books)
Closing cash in hand as on November 8, 2016	0.71	0.41	1.12
(+) Permitted receipts	-	4.97	4.97
(-) Permitted payments	-	2.87	2.87
(+) Withdrawal from Bank accounts	-	-	-
(+) Non-permitted receipts	0.28	-	0.28
(-) Non-permitted payments	-	-	-
(-) Amount deposited in banks	0.99	1.83	2.82
Closing cash in hand as on December 30, 2016	-	0.68	0.68

The Company has accepted SBN's but not paid SBN after November 8, 2016 in respect of:

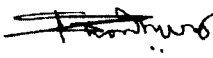
1) Non-Permitted Receipts - Receipt at Hotel

The Company runs hotel in various cities for the Company's workers/employees and for the local population. The specified bank notes were accepted from the employees & local public during the period of demonitization amounting to Rs. 0.28 crores.

All the SBN's in hand and those accepted net of payments as mentioned above have been deposited with the banks.

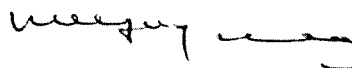

For Price Waterhouse & Co Bangalore LLP
 Firm Registration No. : 007567S/S-200012
 Chartered Accountants

For and on behalf of The Board of Directors


Pinaki Chowdhury
 Partner
 Membership No. : 57572
 Kolkata
 September 21, 2017


Chief Financial Officer

Company Secretary


Managing Director

Director