

INDEPENDENT AUDITOR'S REPORT

To the Members of Apeejay Surrendra Park Hotels Limited

Report on the Standalone Ind AS Financial Statements

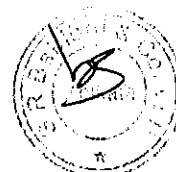
We have audited the accompanying standalone Ind AS financial statements of Apeejay Surrendra Park Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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 that 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, 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. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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. 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

In our opinion and to the best of our information and according to the explanations given to us, 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, 2018, its loss including impact of other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on September 21, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ["the Order"] issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
 - (b) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



S.R. BATLIBOI & CO. LLP

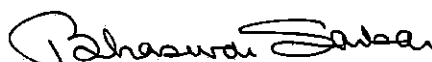
Chartered Accountants

- (c) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (d) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (f) In our opinion, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 26 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

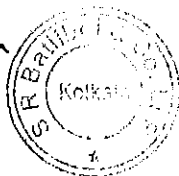
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ICAI Firm Registration Number: 301003E/E300005


per **Bhaswar Sarkar**

Partner

Membership Number: 055596



Place of Signature: Kolkata

Date: September 26, 2018

Annexure 1 referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Apeejay Surrendra Park Hotels Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We have been informed that all fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment/ fixed assets are held in the name of the Company, except for certain immovable properties acquired during schemes of amalgamation in prior years. As explained to us, registration of title deeds are in progress in respect of such immovable properties aggregating Rs. 34.29 crores (net block).
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which our Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/ services of the Company.



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- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues have not been regularly deposited with appropriate authorities and there have been serious delays in large number of cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Demand Amount (in Rs. crores)	Demand paid under protest (in Rs. crores)	Net Demand (in Rs. crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.72	0.45	1.27	2004-05 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal Kolkata
Income Tax Act, 1961	Income Tax	0.45	-	0.45	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.14	-	0.14	AY 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	*	-	*	AY 2014-15	Commissioner of Income Tax (Appeals)

* Below rounding off norms

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any loan or borrowing in respect of Government or dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any moneys by way of public offer (including debt instrument) during the year.



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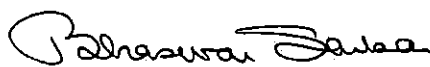
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- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanation given by the management, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standard.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, 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 reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants



per Bhaswar Sarkar

Partner

Membership Number: 055596



Place of Signature: Kolkata

Date: September 26, 2018

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE IND AS FINANCIAL STATEMENTS OF APEEJAY SURRENDRA PARK
HOTELS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section
143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Apeejay Surrendra Park Hotels Limited ("the Company") as of March 31, 2018 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

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. 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over



financial reporting with reference to these standalone Ind AS financial statements, 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 financial statements, whether due to fraud or error.

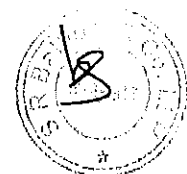
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to these standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

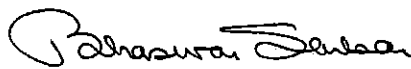
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, 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 **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Bhaswar Sarkar**

Partner

Membership Number: 055596



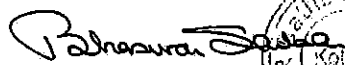
Place of Signature: Kolkata

Date: September 26, 2018

Apeejay Surrendra Park Hotels Limited
Standalone Balance Sheet as at 31 March, 2018

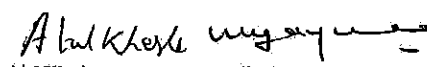
All amounts in Rupees Crores, unless otherwise stated			
	Notes	As at 31 March, 2018	As at 31 March, 2017
Assets			
Non-current assets			
Property, Plant and Equipment	3A	1,065.73	1,054.63
Capital work-in-progress	3B	22.98	29.37
Intangible assets	3C	2.44	2.08
Financial Assets			
Investments	4	0.05	0.06
Loans	5	6.12	6.13
Other financial assets	6	2.52	3.40
Tax assets (net)	7	10.57	9.70
Other assets	8	10.08	21.06
		<u>1,120.49</u>	<u>1,126.43</u>
Current assets			
Inventories	9	16.88	14.45
Financial Assets			
Trade receivables	10	26.73	26.46
Cash and cash equivalents	11	7.75	3.02
Other bank balances	11A	0.18	0.17
Loans	12	0.49	28.38
Other financial assets	13	7.29	4.50
Other assets	14	22.72	24.84
		<u>82.04</u>	<u>101.82</u>
Total assets		<u>1,202.53</u>	<u>1,228.25</u>
Equity and liabilities			
Equity			
Equity share capital	15	17.47	18.88
Other equity	16	561.07	599.60
Total equity		<u>578.54</u>	<u>618.48</u>
Non-current liabilities			
Financial liabilities			
Borrowings	17	383.82	379.42
Other financial liabilities	18	0.03	0.03
Other liabilities	19	10.69	23.77
Provisions	24	4.27	2.95
Deferred tax liabilities (Net)	20	63.88	51.16
		<u>462.69</u>	<u>457.33</u>
Current liabilities			
Financial liabilities			
Borrowings	21	35.49	41.75
Trade payables	22	32.20	42.97
Other financial liabilities	23	54.68	50.69
Provisions	24	6.53	4.01
Other current liabilities	25	12.40	13.02
		<u>161.30</u>	<u>152.44</u>
Total equity and liabilities		<u>1,202.53</u>	<u>1,228.25</u>
Summary of significant accounting policies.	2		
The accompanying notes are an integral part of these standalone financial statements.			


As per report of even date
For S.R. Batliboi & Co LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

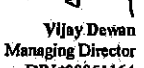

per Bhaswar Sarkar
Partner
Membership No: 55596


Place of Signature: Kolkata
Date: September 26, 2018

For and on behalf of the Board of Directors


Abul Khasim
Chief Financial Officer


Shatini Keshan
Company Secretary


Vijay Dewan
Managing Director
DIN: 00051164


Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: September 26, 2018

Apeejay Surrendra Park Hotels Limited
Standalone Statement of Profit and Loss account for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	Note	31 March, 2018	31 March, 2017
Revenue			
Revenue from operations	28	379.59	347.89
Other income	29	7.73	21.82
Total income		387.32	369.71
Expenses			
Consumption of provisions, beverages, wine/liquor and smokes	30	59.68	56.38
Employees benefits expense	31	80.07	76.26
Finance costs	32	41.73	43.92
Depreciation and amortization expense	33	29.93	26.88
Other expenses	34	169.43	160.29
Total expense		380.84	363.73
Profit before tax		6.48	5.98
Tax expense			
Current tax	20A	2.01	2.02
Less: MAT credit entitlement	20A	(2.01)	(2.02)
Deferred tax charge/ credit	20A	14.58	(4.18)
Profit/(Loss) for the year		(8.10)	10.16
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations		(0.52)	(1.23)
Income tax relating to above item		0.16	0.38
Total comprehensive income for the year		(8.46)	9.31
Earnings per equity share	36		
[Nominal Value per share - Rs. 10 (31 March 2017- Rs. 10)]			
Basic		(4.46)	5.38
Diluted		(4.46)	5.38

Summary of significant accounting policies.

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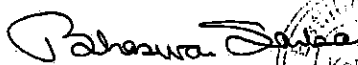
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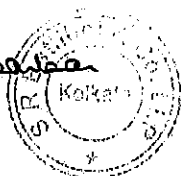
As per report of even date

For S.R. Batliboi & Co LLP

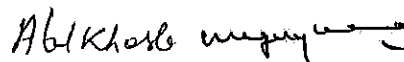
ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants


per Bhaswar Sarkar
Partner
Membership No: 55596



For and on behalf of the Board of Directors


Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164


Shalini Keshan
Company Secretary


Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata

Date: September 26, 2018

Place of Signature: Kolkata

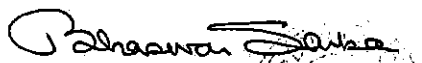
Date: September 26, 2018

Apeejay Surrendra Park Hotels Limited
Statement of Cash Flow for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

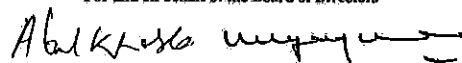
	31 March, 2018	31 March, 2017
A. Operating Activities		
Profit before tax	6.48	5.98
Adjustments:		
Depreciation of property, plant and equipment	29.08	26.23
Amortisation of intangible assets	0.85	0.65
Loss on disposal of property, plant and equipment	1.19	0.03
Interest on advances and deposits	(1.39)	(0.85)
Interest income on deferred employee loan	-	(0.03)
Finance costs	41.73	43.92
Bad debts/advance written off	-	0.25
Liabilities no longer required written back	(0.83)	(1.33)
Provision for doubtful debts no longer required written back	(0.07)	(0.02)
Provision for entertainment tax	1.60	-
Net loss on foreign currency transaction	0.29	-
Provision for doubtful debts	1.87	5.76
	80.60	80.59
Working Capital adjustments :		
(Decrease)/ increase in current/non-current financial liabilities	(24.55)	7.04
(Increase)/ decrease in current/non-current financial assets	47.66	(37.43)
(Increase) in Inventories	(2.43)	(1.69)
Income tax paid	20.68	(32.08)
Net cash flows from operating activities (A)	(2.01)	(2.25)
	99.27	46.26
B. Investing Activities :		
Purchase of tangible property, plant and equipment and intangible assets	(24.20)	(24.41)
Proceeds from sale of property, plant and equipment	0.21	0.04
Proceeds from sale of current investment	0.01	0.01
Increase / decrease in loans given (repaid) during the year	(22.00)	22.00
Funds withdrawn from/ placed in long-term deposits with bank	(0.01)	0.08
Interest income received	0.66	0.85
Payment for buy back of equity shares	(31.48)	-
Net cash flows used in investing activities (B)	(76.81)	(1.43)
C. Financing Activities :		
Proceeds from non-current borrowings	118.67	221.52
Proceeds from current borrowings	55.79	2.78
Repayment of non-current borrowings	(108.06)	(182.89)
Repayment of current borrowings	(42.06)	(40.00)
Finance costs paid	(42.08)	(46.35)
Net cash flows used in financing activities (C)	(17.74)	(44.94)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	4.73	(0.11)
Cash and cash equivalents at the beginning of the year	3.02	3.13
Cash and cash equivalents at the end of the year	7.75	3.02
Cash and Cash Equivalents comprise (Refer Note 11) :		
Cash on hand	1.36	1.70
Cheques in hand	0.39	0.10
Term deposits (maturing within 3 months from the year end)	5.98	0.02
Bank Balances in Current Accounts	0.02	1.20
	7.75	3.02


As per report of even date
For S.R. Badhoni & Co LLP
Firm Registration No. : 301003E/E300005
Chartered Accountants



per Bhaswar Sarkar
Partner
Membership No. 55596


Place of Signature: Kolkata
Date: September 26, 2018

For and on behalf of the Board of Directors


Atul Khosla
Chief Financial Officer


Vijay Dewan
Managing Director
DIN: 00051164


Shalini Keshan
Company Secretary


Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: September 26, 2018

Apeejay Surrendra Park Hotels Limited
Statement of Changes in Equity for the year ended 31 March 2018

All amounts in Rupees Crores, unless otherwise stated

a Equity share capital

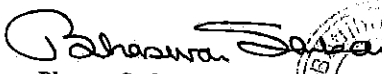
	Note reference	Balance as on 1 April 2016	Changes in equity share capital during the year	Balance as on 31 March 2017	Changes in equity share capital during the year	Balance as on 31 March 2018
Equity Share Capital	15	18.88	-	18.88	(1.41)	17.47

b Other equity

	Note reference	Reserves and Surplus				Total
		Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2016	16	*	213.87	80.15	296.27	590.29
Profit/(Loss) for the year		-	-	-	10.16	10.16
Other Comprehensive Income for the		-	-	-	(0.85)	(0.85)
Balance as at 31 March 2017	16	*	213.87	80.15	305.58	599.60
Profit/(Loss) for the year		-	-	-	(8.10)	(8.10)
Transfer to Capital Redemption Reserve		1.41	-	(1.41)	-	-
Adjustment for buy back of shares		-	(30.06)	-	-	(30.06)
Other Comprehensive Income for the		-	-	-	(0.36)	(0.36)
Balance at 31 March 2018	16	1.41	183.80	78.74	297.12	561.07

* Below rounding off norms

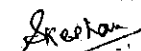
For S.R. Batliboi & Co LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants



Bhaswar Sarkar
Partner
Membership No: 55596


Place of Signature: Kolkata
Date: September 26, 2018

For and on behalf of the Board of Directors


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Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

1 Corporate information

Apeejay Surrendra Park Hotels Limited (the 'Company') is a public company domiciled in India and is incorporated in India under the provisions of the Companies Act, 1956 (the Act). Its shares are not listed on any stock exchanges. The registered office of the Company is located at 17, Park Street, Kolkata, West Bengal, India, 700016.

The Company is primarily engaged in the business of owning, operating and managing hotels. The financial statements were authorised for issue in accordance with a resolution of the Directors on September 26, 2018.

2 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented except for the changes in accounting policy for amendments to the standard that were effective for annual period beginning from on or after 1 April 2017.

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative for additional disclosure of changes in liabilities arising from financing activities on account of non-cash transactions.

The amendment require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The adoption of amendment has been disclosed under the Cash and cash equivalents note

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and derivative financial instruments which are measured at fair values as below:

- i) certain financial assets and liabilities measured at fair value;
- ii) defined benefit plans – plan assets measured at fair value;
- iii) customer loyalty programmes

2.1 Summary of significant accounting policies

(a) Current versus Non-current Classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in 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 equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- 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.

The Company classified all other liabilities as non-current.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

(b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

(i) Revenue from sale of services:

- Revenue room rentals, sale of food and beverages and other allied services related to hotel operations is recognised when the services are rendered and the same becomes chargeable.
- Revenue from hotel operations and related services is recognised net of discounts and sales related taxes in the period in which the services are rendered. The Company collects service tax, value added tax (VAT) and luxury tax (now collectively subsumed into GST w.e.f. July 1, 2017) on behalf of the government, and therefore, these are not economic benefits flowing to the Company.



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

(ii) Other Operating Revenue:

- 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.
- Revenue from Shop Rentals, Management and Marketing Fee is recognised on accrual basis as per terms of the contract.

(iii) Interest Income:

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(iv) Rental Income:

Rental income is recognised on a straight-line basis over the term of the lease over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

(v) Dividend Income:

Dividend income is recognised at the time when the right to receive is established which is generally when shareholders approve the dividend.

(c) Foreign currencies

(i) Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupee ('INR' or 'Rs'), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. However, for practical reasons, the company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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 measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(d) Taxes

(i) Current income tax

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(e) Property, Plant and Equipment**Recognition and initial measurement:**

All items of property, plant and equipment are stated at deemed cost (fair value as at transition date) less accumulated depreciation, impairment loss, if any. Deemed 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.

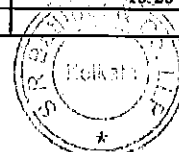
Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

Subsequent measurement (Depreciation methods, estimated useful lives and residual value):

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain property, plant and equipment, over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset Category	Estimated Useful Life (in years) as per Schedule II	Estimated Useful Life (in years) as per technical assessment
Plant & Machinery and Electrical Installation	15	20
Office Equipment	5	6
Buildings :		
General	60	100
Furniture & Fixtures :		
General	10	15-20
Used in hotels and restaurants	8	15-20
Vehicles :		



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

<i>General</i>	10	8
<i>Used in business of running them on hire</i>	6	8
Computers :		
Servers and networks	6	3
Desktops & Laptops	3	6

Depreciation on 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.

(f) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets (Computer software) are assessed as either finite or indefinite.

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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation method

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

(g) Impairment of non-financial assets:

At each reporting date, the the company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in Statement of Profit and Loss.



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

(h) Investment in Subsidiaries and Joint Venture

A subsidiary is an entity that is controlled by the Company. The Company controls its subsidiary when the subsidiary is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to effect those returns through its power over the subsidiary.

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

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

- The Company's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date.
- Investments in Subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever 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.

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

- Initial recognition and measurement :

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

- Subsequent measurement :

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) *Debt instruments at amortised cost:* A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

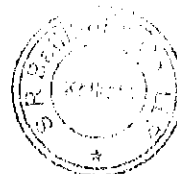
(ii) *Debt instruments at FVOCI* - A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) *Debt instrument at FVTPL* - FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

- (iv) **Equity Investments** – Investments in equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

- **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure.

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Financial assets that are debt instruments and are measured as at FVTOCI.

Lease receivables under Ind AS 17.

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

Loan commitments which are not measured as at FVTPL.

Financial guarantee contracts which are not measured as at FVTPL.

The company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables; and All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

- **Derecognition of financial assets**

A financial asset is derecognised when

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

(j) **Fair value Measurement**

The Company measures its financial instruments such as derivative instruments, etc at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Valuers are selected based on market knowledge, reputation, independence and whether professional standards are maintained. For other assets management carries out the valuation based on its experience, market knowledge and in line with the applicable accounting requirements.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity share
- Financial instruments (including those carried at amortised cost).

(k) Inventories :

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product of Raw material to its present location and condition includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) 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 recognized 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.

(m) Cash and cash equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Financial Liabilities :

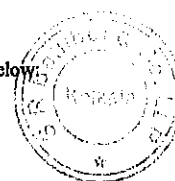
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, security deposits, loans and borrowings and other financial liabilities.

Subsequent measurement

Subsequent to initial recognition, the measurement of financial liabilities depends on their classification, as described below.



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(o) Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(p) Retirement and other employee benefits :

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, a reduction in future payment or a cash refund.

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
 - The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
 - Net interest expense or income



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

(q) Provisions and Contingent Liabilities :

Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

(r) Earnings Per Share :

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(s) Leases :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

As a lessee:-

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

As a lessor:-

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

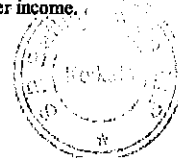
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(t) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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 the Standalone Financial Statements for the year ended 31 March, 2018

(u) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Employee Benefits (Estimation of defined benefit obligation)

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

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

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

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

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.

2.2 Rounding of amounts

All amounts disclosed in the 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 the Standalone Financial Statements for the year ended 31 March, 2018

3A. Property, Plant and Equipment

All amounts in Rupees Crores, unless otherwise stated

Description	Freehold Land	Leasehold Land	Buildings (Refer (a), (b) and (c) below)	Plant and Equipment	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total
Year ended 31 March 2017										
Gross amount										
Demol cost as at 1 April, 2016	110.04	228.88	532.25	128.81	2.15	32.27	12.50	5.52	33.70	1,086.12
Exchange differences	-	-	(1.67)	(0.41)	-	-	-	-	(0.12)	(2.20)
Additions during the year	-	-	6.50	10.62	0.38	1.86	0.30	0.38	1.58	21.62
Other adjustment	-	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	(0.08)	(0.08)	-	(0.23)	-	-	(0.39)
CLOSING GROSS AMOUNT	110.04	228.88	537.08	138.94	2.45	34.13	12.57	5.90	35.16	1,105.15
Accumulated Depreciation										
Opening balance as at 1 April, 2016	-	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)	(0.08)	-	(0.21)	-	-	(0.32)
CLOSING ACCUMULATED DEPRECIATION	-	4.42	12.78	19.16	0.88	5.61	2.81	0.71	4.15	50.52
Net amount as at 31, March 2017	110.04	224.46	524.30	119.78	1.57	28.52	9.76	5.19	31.01	1,054.63
Year ended 31 March 2018										
Gross amount										
Demol cost as at 1 April, 2017	110.04	228.88	537.08	138.94	2.45	34.13	12.57	5.90	35.16	1,105.15
Exchange differences	-	-	19.82	10.47	1.10	5.62	1.76	0.41	2.39	41.57
Additions during the year	-	-	(0.67)	1.96	-	(0.32)	(0.67)	(3.40)	(0.01)	(3.11)
Disposals during the year	-	-	556.23	151.37	3.55	39.43	13.66	2.91	37.54	1,143.61
CLOSING GROSS AMOUNT	110.04	228.88	556.23	151.37	3.55	39.43	13.66	2.91	37.54	1,143.61
Accumulated Depreciation										
Opening balance as at 1 April, 2017	-	4.42	12.78	19.16	0.88	5.61	2.81	0.71	4.15	50.52
Depreciation charge during the year	-	2.21	8.38	10.48	0.45	3.11	1.96	0.18	2.31	29.08
Adjustment of depreciation on disposals	-	-	(0.08)	(0.31)	(0.00)	(0.19)	(0.60)	(0.34)	-	(1.72)
CLOSING ACCUMULATED DEPRECIATION	-	6.63	21.08	29.13	1.33	8.53	4.17	0.55	6.46	77.88
Net amount as at 31, March 2018	110.04	222.25	535.15	122.24	2.22	30.90	9.49	2.36	31.08	1,065.73

(a) Gross Block of Buildings include cost of construction of Rs. 0.95 Crores (31st March, 2017 - Rs. 0.95 Crores) in other area. It also included certain portion of a Building given under operating lease, the particulars are given below:

Particulars	As on 31 March, 2018	As on 31 March, 2017
Gross Block	4.35	4.35
Accumulated Depreciation	0.37	0.25
Depreciation for the year	0.11	0.12

(b) Title deeds of the immovable properties included in above aggregating to 34.29 cr are in the name of Gemini Hotels & Holdings Limited (GHH)/New Bombay Park Hotels Private Limited (NBHPPL)/Aandhra Hotels Private Limited (AHPPL) on account of amalgamation and merger in previous years. The name change in such title deeds is in process.

(c) In prior years the Company had acquired certain parcel of lands aggregating to INR 242.46 for expanding its hotel business. Subsequently, the Company has been actively considering opportunities for development and sale of portions of each such land parcel. Pending a final decision on the extent to which each such land parcel may be used for purposes other than the Company's hotel business, management has considered it appropriate to recognise deferred tax asset aggregating INR 16.61 Cr arising from difference between book values of those portions of land parcels that, based on management's current best estimate, are likely to be used for purposes other than the Company's hotel business and their corresponding indexed costs for tax purposes.

• Below rounding off norms



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

3B Capital work-in-progress

Description	Total
Year ended 31 March 2017	
Opening gross amount as at 1 April, 2016	29.82
Additions during the year	12.92
Capitalisation during the year	(13.37)
CLOSING GROSS AMOUNT AS AT 31, MARCH 2017	29.37

Year ended 31 March 2018

Cost	
Opening gross amount as at 1 April, 2017	29.37
Additions during the year	25.12
Capitalisation during the year	(31.51)
CLOSING GROSS AMOUNT AS AT 31, MARCH 2018	22.98

3C Intangible assets

Description	Computer Softwares - Acquired	Design	Total
Year ended 31 March 2017			
Amortised Cost			
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 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 amount as at 31, March 2017	1.21	0.87	2.08

Year ended 31 March 2018

Amortised Cost

Cost			
Opening balance as at 1 April, 2017	2.55	0.87	3.42
Additions during the year	1.21	-	1.21
Disposals during the year	-	-	-
CLOSING GROSS AMOUNT	3.76	0.87	4.63
Accumulated amortisation			
Opening balance as at 1 April, 2017	1.34	-	1.34
Amortisation charge during the year	0.85	-	0.85
Adjustment of amortisation on disposals	-	-	-
CLOSING ACCUMULATED AMORTISATION	2.19	-	2.19
Net amount as at 31, March 2018	1.57	0.87	2.44



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	As at 31 March, 2018	As at 31 March, 2017
4 Non-current Investments		
At cost		
Investment in equity Instruments (fully paid-up) - Unquoted		
(a) Subsidaries		
5,200 Equity Shares (31 March, 2017 - 5,200) of Rs. 10 each fully paid up in Apeejay Charter Private Limited	0.01	0.01
10,000 Equity Shares (31 March, 2017 - Nil) of Rs. 10 each fully paid up in Apeejay Hotels & Restaurants Private Limited	0.01	-
Sub-total (A)	0.02	0.01
(b) Joint Ventures		
867 Common Shares (31 March, 2017 - 867) of GBP 1 each fully paid up in Apeejay Tea (Panama) Inc	-	-
400 Equity Shares (31 March, 2017 - 400) of Euro 1 each fully paid up in Apeejay Hotels (Panama) Inc	-	-
Sub-total (B)	-	-
At Fair Value through Profit & Loss (FVTPL)		
Investments in equity Instruments (fully paid-up)		
5,625 Equity Shares (31 March, 2017 - 5,625) of Rs. 10 each fully paid up in Tulayan NEC Limited	-	0.01
10 Equity Shares (31 March, 2017 - 10) of Rs. 10 each fully paid up in Artistry House Private Limited	-	-
9,000 Equity Shares (31 March, 2017 - 24,000) of Rs. 10 each fully paid up in Green Infra Wind Farms Limited	0.01	0.02
12,000 Equity Shares (31 March, 2017 - 12,000) of Rs. 10 each fully paid up in Green Infra Wind Generation Limited	0.01	0.01
12,000 Equity Shares (31 March, 2017 - 12,000) of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.01	0.01
Sub-total (C)	0.03	0.05
Total (A+B+C)	0.05	0.06
Aggregate amount of market value of quoted investments	-	0.01
Aggregate amount of unquoted investments	0.05	0.05
5 Loans - Non-current		
(Unsecured, considered good)		
Security Deposit	6.02	6.00
Loan to Employees	0.10	0.13
(Unsecured and considered doubtful)		
Loan to a body corporate	1.77	1.77
Less: Allowance for doubtful loans	(1.77)	(1.77)
	6.12	6.13
6 Other financial assets - Non-current		
(Unsecured, considered good)		
Derivative Instruments not designated as hedges ^		
Option and Interest rate swaps	-	0.90
Margin Money with Banks	2.52	2.50
	2.52	3.40
7 Tax assets (net) - Non-current		
(Unsecured, considered good)		
Advance payment of Taxes		
Net of provision for taxation Rs. 6.60 Crores (31 March, 2017 - Rs. 4.64 crores)	10.57	9.70
	10.57	9.70
8 Other assets - Non-current		
(Unsecured considered good, unless otherwise stated)		
Capital advances		
Advances to Suppliers/ Service providers (other than capital)	3.28	14.51
Considered Doubtful		
Less: Allowance for doubtful advances	0.81	0.81
	(0.81)	(0.81)
Others		
Deferred Staff Cost	0.02	0.03
Balance with Government Authorities	0.10	0.09
Demand paid under protest	6.23	6.23
Prepaid Expenses	0.45	0.20
	10.08	21.06
9 Inventories		
(at Lower of cost and net realizable value)		
Provisions, Beverages (excluding Wine and Liquor) and Smokes	1.50	1.44
Wine and Liquor	11.10	7.48
Crockery, Cutlery, Glassware, Linen, etc.	1.79	1.90
Stores and Spares Parts	2.49	3.63
	16.88	14.45
10 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	26.72	26.45
- Considered doubtful		
Less: Allowance for Doubtful Debts/ Expected Credit Loss	6.97	5.60
	(6.97)	(5.60)
	26.73	26.46

* Below rounding off norms

^ Financial assets carried at fair value through profit or loss



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	As at 31 March, 2018	As at 31 March, 2017
11 Cash and cash equivalents		
Cash on hand (Refer (a) below)	1.36	1.70
Cheques on hand	0.39	0.10
Balances with Banks:		
- On current accounts	5.98	1.20
- Deposits with original maturity of less than three months	0.02	0.02
	<u>7.75</u>	<u>3.02</u>

(a) Cash on hand includes credit card charge slips and foreign currency on hand.

Amendments to Ind AS-7, Statement of cash flows

The amendments require the Company to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendments are effective for annual periods beginning on or after April 1, 2017. Therefore, the Company has not provided comparative information of

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

	As at 31 March, 2018	As at 31 March, 2017
Cash and cash equivalents	7.75	3.02
Temporary bank overdraft	(0.62)	-
Non Current borrowings	(383.82)	(379.42)
Current borrowings (including interest accrued but not due on borrowings)	<u>(93.28)</u>	<u>(73.69)</u>
	<u>(469.97)</u>	<u>(450.09)</u>

Description	Current and non-current	Cash and bank overdraft	Total
Net debt as at 1st April 2017	(453.11)	3.02	(450.09)
Cash flows	(24.35)	4.73	(19.62)
Interest expense	(41.73)	-	(41.73)
Interest paid	42.03	-	42.03
Other non cash movement	-	-	-
- Transaction Cost adjustment	(0.56)	-	(0.56)
Net debt as at 31st March 2018	<u>(477.72)</u>	<u>7.75</u>	<u>(469.97)</u>

11A Other bank balances

Deposits with maturity more than 3 months and less than 12 months

	0.18	0.17
	<u>0.18</u>	<u>0.17</u>

12 Loans - Current

(Unsecured, considered good)

Security deposits

Loan to a body corporate

Other Loans

Loan to Employees

	0.37	6.15
	-	22.00
	0.12	0.23
	<u>0.49</u>	<u>28.38</u>

13 Other financial assets - Current

(Unsecured considered good, unless otherwise stated)

Insurance Claim Receivable

Interest accrued on deposits and loans

- Considered good

- Considered doubtful

Less: Allowance for doubtful receivables

Miscellaneous receivable

	0.12	0.10
	1.16	1.52
	1.33	1.07
	<u>(1.33)</u>	<u>(1.07)</u>
	6.01	2.88
	<u>7.22</u>	<u>4.50</u>

14 Other assets - Current

(Unsecured considered good, unless otherwise stated)

Advances

Advance to Suppliers/Service providers (other than capital)

- Considered good

- Considered doubtful

Less: Allowance for Doubtful Advances

Advance to Employees

- Considered good

- Considered doubtful

Less: Allowance for Doubtful Advances

Advance to a related party (refer note 38)

	8.66	6.63
	0.28	0.28
	<u>(0.28)</u>	-
	0.17	0.17
	0.85	0.85
	<u>(0.85)</u>	-
	0.04	0.13

Other

Prepaid Expenses

Accrued duty exemption benefit *

Deferred Staff Cost

Balances with Government Authorities ^

- Considered good

- Considered doubtful

Less: Allowance for Doubtful Advances

	6.37	5.64
	3.31	3.18
	0.02	0.03
	3.95	7.06
	0.08	0.08
	<u>(0.08)</u>	-
	<u>22.72</u>	<u>24.84</u>

* 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.

^ Includes amounts realisable from the excise, GST and value added tax, the unutilised excise input credits on purchases. These are generally realised within one year or regularly utilized to offset the GST 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 the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	As at 31 March, 2018	As at 31 March, 2017
15 Equity share capital		
Authorised Share Capital: 20,000,000 (31 March, 2017: 20,000,000) equity shares of Rs. 10 each	20.00	20.00
Issued, subscribed and paid-up 17,466,176 (31 March, 2017: 18,882,353) equity shares of Rs. 10 each fully paid up	17.47	18.88

(i) During the year ended 31 March, 2018 the 14,16,177 shares were bought back by the Company.

(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, 2018	As at 31 March, 2017
Florry Swiss Confectionary Private Limited	52,50,000	52,50,000
Apeejay Private Limited	27.80%	27.80%
	34,49,750	34,49,750
Apeejay Surrendra Trust	18.27%	18.27%
	30,00,240	30,00,240
Apeejay Engineering Private Limited	15.89%	15.89%
	14,50,000	14,50,000
Apeejay Agencies Private Limited	7.68%	7.68%
	14,50,000	14,50,000
Apeejay House Private Limited	7.68%	7.68%
	14,50,000	14,50,000
RRFS Park Hotel Investors Limited	7.68%	7.68%
	-	14,16,177
RECP IV Park Hotel Investors Limited	-	7.50%
	13,66,610	13,66,610
	7.24%	7.24%

	As at 31 March, 2018	As at 31 March, 2017
16 Other equity		
Reserves and Surplus		
(i) Capital Redemption Reserve	1.41	-
(ii) Securities Premium Reserve	183.80	213.87
(iii) General Reserve	78.74	80.15
(iv) Retained Earnings	297.12	305.58
	<u>561.07</u>	<u>599.60</u>

(i) Capital Redemption Reserve [Refer (a) below]

	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	-	-
Add: Transferred from General Reserve on account of Buy back of shares	1.41	-
Balance at the end of the year	<u>1.41</u>	<u>-</u>

(ii) Securities Premium Reserve [Refer (b) below]

	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	213.87	213.87
Less: Adjusted for buy back of shares	30.06	-
Balance at the end of the year	<u>183.80</u>	<u>213.87</u>

(iii) General Reserve

	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	80.15	80.15
Less: Transferred to Capital Reserve on account of Buy back of shares	1.41	-
Balance at the end of the year	<u>78.74</u>	<u>80.15</u>

(iv) Retained Earnings

	As at 31 March, 2018	As at 31 March, 2017
Balance as at the beginning of the year	305.58	296.27
Profit/(Loss) for the year	(8.10)	10.16
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment defined benefit obligation, net of tax	(0.36)	(0.85)
Balance as at the end of the year	<u>297.12</u>	<u>305.58</u>

* Below rounding off norms

(a) Capital Redemption Reserve represents amount arisen on account of buy back of shares and has been created on account of the Act for buy back of equity shares.
(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.



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	As at 31 March, 2018	As at 31 March, 2017
17 Borrowings - Non current		
Secured [Refer (a) below] :		
Term Loans		
From Banks		
Rupee Loans	329.75	313.49
Foreign Currency Loans	54.07	65.93
Total	<u>383.82</u>	<u>379.42</u>
(a) Security for Secured Loans and Terms of Repayment:		
(i) Rupee Loan from a Bank amounting to Rs. 100.00 Crores (31 March, 2017 - 100.00 Crores) 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 with other banks for their loans. Such loan is repayable from September 30, 2022 with		
- first installment of Rs 3.11 Cr followed by		
- 21 equal quarterly installments of Rs 3.87 Crores and		
- 4 equal quarterly installments of Rs 3.88 Crores.		
(ii) Rupee Loan from a Bank amounting to Rs. 49.50 Crores (31 March, 2017 - Rs 50.00 Crores) 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 with other banks for their loans. Such loan (original amount being Rs. 50 crores) is repayable in		
- 8 equal quarterly installments of Rs 0.13 Crores starting from June 30, 2017, followed by		
- 4 equal quarterly installments of Rs 0.63 Crores,		
- 32 equal quarterly installments of Rs 1.29 crores and		
- 4 equal quarterly installments of Rs 1.30 crores.		
(iii) Rupee Loan from a Bank amounting to Rs. 91.00 Crores (31 March, 2017 - 100.00 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 ranking pari passu with other banks for their loans. Such loan (original amount being Rs. 100 cr) is repayable starting 31 August, 2017 in		
- 8 quarterly installments of Rs 3.00 crores, followed by		
- 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.Nil (31 March, 2017 -Rs.86.61Crores) is secured by hypothecation by way of first and exclusive charge ranking pari passu with other bank for their loan 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 ranking pari passu with other bank for their loan by deposit of Title Deeds of immovable property of the Company situated at Bangalore. Such loan (Original amount being USD 2.20 Crores) is repayable in		
- 28 quarterly installments starting from August 26, 2014, 27 installments being of USD 785,714 and followed by		
- the 28th installment being of USD 785,722.		
(v) Rupee Loan from a Bank amounting to Rs. 75 Crores (31 March, 2017 - Rs.75.00 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 with other banks for their loans. Such loan is repayable starting 20 December 2018 in		
- 8 quarterly installments of Rs. 1.00 Crores, followed by		
- 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) Rupee Loan from a Bank amounting to Rs. 30 Crores (31 March, 2017 - Rs.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 ranking pari passu with other banks for their loans. Such loan is repayable starting 31 May 2020 in		
- 12 quarterly installments of Rs. 0.075 Crores, followed by		
- 4 installments of Rs 0.375 Crores,		
- 4 installments of Rs 0.90 Crores,		
- 8 installments of Rs 2.10 Crores and		
- 3 installment of Rs 2.40 Crores.		
(vii) Foreign Currency Loan from a Bank amounting to Rs.75.69 Crore (31 March, 2017 -Rs.Nil) is secured by hypothecation by way of first and exclusive charge ranking pari passu with other bank for their loan 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 ranking pari passu with other bank for their loan by deposit of Title Deeds of immovable property of the Company situated at Bangalore. Such loan is repayable in 8 half yearly installments starting from February 28, 2018, all installments being of USD 1,662,500 (Original amount being USD 1.33 Crores).		
(viii) Vehicle loans aggregating Rs. 1.96 Crores (31 March, 2017 - Rs. 2.52 Crores) from Banks are secured by way of hypothecation of vehicles financed. Repayable in monthly installments ranging between 36 and 37 numbers.		
(ix) Interest rates on Rupee Loans are varying in the range of 8% to 10.5% 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 (vi) above are inclusive of any amounts disclosed under Current Maturities of Long Term Debt, if any,		
18 Other financial liabilities - Non current		
Security Deposit Received	<u>0.03</u>	<u>0.03</u>
	<u>0.03</u>	<u>0.03</u>
19 Other liabilities - Non current		
Deferred Government Grants	<u>10.69</u>	<u>23.77</u>
	<u>10.69</u>	<u>23.77</u>



Aneelav Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

20 Deferred tax liabilities (net)

Particulars

Deferred Tax Liabilities :

Property, plant and equipment and other intangible assets
 Deferred Staff Cost
 Derivatives

Gross deferred tax liability

Deferred Tax Assets :

Investments
 Financial Assets at Fair value through Profit or Loss - Derivative Financial Instruments
 Other Non-current liabilities
 Trade receivables
 Unabsorbed Losses
 Items allowable for tax purpose on payments/adjustment
 Gross deferred tax assets

Net deferred tax liabilities

MAT Credit Entitlement *

Deferred tax liabilities (net) (including MAT credit entitlement)

As at 31 March, 2018	As at 31 March, 2017
116.62	74.52
0.01	0.01
(0.14)	(0.14)
116.49	74.39
0.01	0.01
-	(0.28)
3.34	-
3.78	1.58
22.70	-
1.77	1.77
31.60	4.70
84.89	70.19
21.01	18.99
63.88	51.16
As at 31 March, 2018	As at 31 March, 2017
70.15	74.72
14.58	(4.18)
0.16	(0.39)
84.89	70.15

Reconciliation of deferred tax liabilities:

Closing balance as of April 1
 Tax income/expense during the year recognized in profit or loss
 Tax income/expense during the year recognized in OCI
 Closing Balance as at March 31

Deferred tax liabilities and Deferred tax assets have been offset as they relate to same governing taxation laws.

* The asset of Rs. 21.01 cr (March 2017: 18.99 cr) recognized by the company as "MAT credit entitlement" represents the portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115BAA of the Income tax Act, 1961.

The company has recognized deferred tax on unabsorbed depreciation and carry forward losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unabsorbed depreciation and carried forward tax losses can be utilized.

Movement in deferred tax assets

Particulars

Liabilities :

Property, plant and equipment and other intangible assets
 Deferred Staff Cost
 Derivatives

Assets :

Investments
 Financial Assets at Fair value through Profit or Loss - Derivative Financial Instruments
 Other Non-current liabilities
 Trade receivables
 Unabsorbed Losses
 Items allowable for tax purpose on payments/adjustment

Net

Balance as at 31 March, 2017	Recognized in Profit or Loss	Recognized in OCI	Balance as at 31 March, 2018
74.52	(42.10)	-	116.62
0.01	-	-	0.01
0.32	0.46	-	(0.14)
74.85	(41.64)	-	116.49
0.01	-	-	0.01
(0.28)	(0.28)	-	-
-	(3.34)	-	3.34
1.58	(2.20)	-	3.78
-	(22.70)	-	22.70
3.39	1.46	0.16	1.77
4.70	(27.05)	0.16	31.60
70.15	(16.59)	(0.14)	84.89

20A Income Tax Expense

(i) Income tax expense reported in statement of profit or loss comprises :

Current tax on profits for the year

Current tax

Less: MAT credit entitlement

Deferred tax relating to origination and reversal of temporary differences

Income tax expense reported in the statement of profit and loss

(ii) Statement of Other Comprehensive Income

Deferred tax related to items recognized in OCI during the year

Remeasurement of post employment defined benefit obligation

Income tax charged to OCI

Year ended 31 March, 2018	Year ended 31 March, 2017
2.01	3.02
(2.01)	(2.02)
14.58	(4.18)
14.58	(4.18)
0.16	0.19
0.16	0.39

(iii) Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year indicated are as follows.

Accounting profit before tax

Statutory income tax rate of 31.20% (March 31, 2017: 30.90%)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Impact of change in tax rate

Impact of expenses which will never be allowed

Adjustment in respect of earlier years

Others

Year ended 31 March, 2018	Year ended 31 March, 2017
6.48	5.99
2.06	1.85
(2.15)	-
0.07	2.45
9.31	-
5.37	(3.49)
14.58	(4.18)

* Below rounding off norms



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	As at 31 March, 2018	As at 31 March, 2017
21 Borrowings - Current		
Secured		
Term Loans from Banks		
Commercial Paper (Refer (a) and (b) below)	-	30.00
Working Capital Loans from Banks (Refer (b) below)	53.27	4.03
	<u>53.27</u>	<u>34.03</u>
Unsecured		
From Bank		
Foreign Currency Loan	-	-
Intercompany Deposit (Repayable on demand)	2.22	7.72
	<u>55.49</u>	<u>41.75</u>
(a) Balance outstanding as at 31 March, 2018 in respect of Commercial Paper is Rs. 0 (31 March, 2017 - Rs. 30 crore). Maximum amount outstanding at any time during the year is Rs. 30 crore (31 March, 2017 - Rs. 30 crore)		
(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 where applicable, with the other lenders for their loans.		
22 Trade Payables - Current		
Total outstanding dues to related parties (refer note 37)	0.45	0.59
Total outstanding dues other than related parties		
(i) Total outstanding dues to micro enterprises and small enterprises (Refer Note 35)	0.02	0.06
(ii) Total outstanding dues of trade payables other than micro enterprises and small enterprises	31.73	42.32
	<u>32.20</u>	<u>42.97</u>
23 Other financial liabilities - Current		
Current maturities of long-term debt (Refer Note 17)	37.47	31.27
Interest accrued	0.31	0.67
Temporary Book Overdraft	0.62	-
Capital Liabilities	2.82	1.87
Employee Benefits payable	13.23	13.56
Liability for expenses	0.05	3.20
Security Deposits Received	0.18	0.12
	<u>54.68</u>	<u>50.69</u>
24 Provisions - Non current		
Provision for Employees Benefits;		
Gratuity	4.27	2.95
	<u>4.27</u>	<u>2.95</u>
Provisions - Current		
Provision for Employee Benefits		
Gratuity	1.57	1.12
Compensated absences	3.36	2.89
Provision for Entertainment tax	1.60	-
	<u>6.53</u>	<u>4.01</u>
	<u>10.80</u>	<u>6.96</u>
25 Other liabilities - Current		
Statutory dues (including provident fund, tax deducted at source, etc.)	7.30	7.11
Advance from customers	4.58	4.96
Deferred government grants	0.32	0.95
	<u>12.20</u>	<u>13.02</u>



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated.

	As at 31 March, 2018	As at 31 March, 2017
16 Contingent Liabilities (net of provision)		
(a) Claims against the Company not acknowledged as debt		
Disputed Tax and Duty for which the Company has preferred appeals before appropriate authorities.		
Demand for Land Tax	0.25	0.25
Demand for Entertainment Tax	0.81	11.82
Demand for Service Tax	1.72	1.72
(b) Guarantees		
Bank Guarantees Given to Customs and Other Authorities	0.40	0.53
Corporate Guarantee given by the Company to Customs Authorities on behalf of subsidiary for fulfillment of their export obligation	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 has quashed the impugned Order of NDMC and set aside with a direction to NDMC for fresh assessment.		
(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 regular/ periodic 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. The Company has disputed the alleged claim and the matter is pending before LDO. Based on a legal opinion obtained by the Company, the alleged demand is questionable, arbitrary and not tenable and is likely to be settled soon in favour of the Company. Accordingly, no provision in this regard has been taken considered necessary in these financial statements. Pending such reassessment, liability in this regard has been recognised based on management's best estimate of probable obligation.		
(e) In respect of the contingent liabilities mentioned in Note (a) 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.		
17 Commitments		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	11.24	12.45
(b) Other Commitments		
Estimated amount of export obligation	215.19	224.00
(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)		



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

	Year ended 31 March, 2018	Year ended 31 March, 2017
28 Revenue from Operations		
Sale of Services		
Rooms	187.69	167.88
Food and Beverage	82.94	74.98
Wine and Liquor	69.12	63.00
Telephone and Telex Services	0.29	0.40
Other Services (Banquet, spa, entry fees etc.)	19.26	29.28
	<u>359.30</u>	<u>335.54</u>
Other Operating Revenue		
Management Fees	4.38	3.92
Shop Rentals	0.03	0.02
Accrued duty exemption entitlement and other benefits	0.85	5.18
Income from Government Grant	13.08	0.34
Liabilities no longer required written back	0.83	1.33
Membership and Subscription Fees	1.12	1.56
	<u>20.29</u>	<u>12.35</u>
Total Revenue From Operations	<u>379.59</u>	<u>347.89</u>
29 Other Income		
Interest on advances and deposits	1.59	0.85
Commission	0.22	0.32
Rental Income	2.96	2.96
Marked to market gain on derivatives	-	2.06
Provision for doubtful debts no longer required written back	0.07	0.02
Miscellaneous Income	2.82	3.78
Insurance claim received	0.06	11.80
Interest Income on Deferred Employee Loan	-	0.03
	<u>7.72</u>	<u>21.82</u>
30 Consumption of Provisions, Beverages, Wine/Liquor and Smokes		
(A) Provisions, Beverages (excluding Wine and Liquor) and Smokes		
Inventory at the beginning of the year	1.44	1.52
Add: Purchases	41.69	37.75
	<u>43.13</u>	<u>39.27</u>
Less: Inventory at the end of the year	1.50	1.44
	<u>41.63</u>	<u>37.83</u>
(B) Wine and Liquor		
Inventory at the beginning of the year	7.48	6.27
Add: Purchases	21.67	19.76
	<u>29.15</u>	<u>26.03</u>
Less: Inventory at the end of the year	11.10	7.48
	<u>18.05</u>	<u>18.55</u>
Total Consumption	<u>59.68</u>	<u>56.38</u>
31 Employees benefits expense		
Salaries, wages and bonus	70.06	66.44
Contribution to provident and other funds	3.76	3.30
Contribution to gratuity funds	1.27	0.92
Staff welfare expenses	4.98	5.60
	<u>80.07</u>	<u>76.26</u>



Apeelav Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

31 A Employee Benefits

Year ended
31 March 2018

Year ended
31 March 2017

- (a) **Post employment benefit - defined contribution**
Amount recognised in the Statement of Profit and Loss contribution towards Provident Fund and other fund
- (b) **Leave Obligations - defined benefit**
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) **Gratuity - defined benefit**
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. 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.

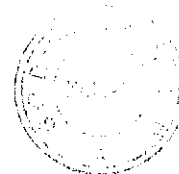
The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company for the year ended 31 March, 2018:

	Present value of obligation	Fair value of plan assets	Net Amount
(i) Obligation as at 1st 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 recognised in Other Comprehensive Income			
- 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	-
Obligation as at 31st March 2017	8.12	(4.05)	4.07
(ii) Obligation as at 1st April 2017	8.12	(4.05)	4.07
Current Service cost	0.87	(0.08)	0.79
Interest cost/Income	0.59	(0.23)	0.36
Total amount recognised in Profit or Loss	1.46	(0.31)	1.15
Remeasurements (gains)/losses recognised in Other Comprehensive Income			
- Change in Financial assumptions	(0.13)	-	(0.13)
- Experience Variance (i.e Actual Experience vs assumptions)	0.65	-	0.65
- Return on plan asset, Excluding amount recognised in net interest expense	-	0.10	0.10
Total amount recognised in Other Comprehensive Income	0.52	0.10	0.62
Contributions by employer	-	-	-
Benefits paid	(0.82)	0.82	-
Obligation as at 31st March 2018	9.28	(3.44)	5.84

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

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

	As at 31 March 2018	As at 31 March 2017
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	9.28	8.12
Fair Value of Plan Assets at the end of the year	(3.44)	(4.05)
Net Liability recognised in the Balance Sheet	5.84	4.07



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

(IV) Principal Actuarial Assumption Used:

All amounts in Rupees Crores, unless otherwise stated

	As at 31 March 2018	As at 31 March 2017
Discount Rates	7.70%	7.50%
Expected Salary increase rates #	5.00%	5.00%
Inflation Rate	5.00%	5.00%
Mortality table	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.

(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%
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(VI) Category of Plan Assets

Fund with HDFC Standard Life	3.44	4.05
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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 2018					
Defined benefit obligation	2.86	2.51	3.72	10.04	19.13
As at 31 March 2017					
Defined benefit obligation	2.33	2.18	3.21	9.03	16.75

(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 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	9.03	9.64	7.84	8.42
% Change Compared to base due to sensitivity	-5.56%	6.04%	-2.85%	3.10%
Salary Growth Rate (-/+ 0.5%)	9.65	9.02	8.42	7.84
% Change Compared to base due to sensitivity	6.14%	-5.69%	3.15%	-2.92%
Attrition Rate (-/+ 10%)	9.32	9.32	8.11	8.08
% Change Compared to base due to sensitivity	-0.04%	0.04%	-0.04%	0.04%
Mortality Rate (-/+ 10%)	9.33	9.32	8.10	8.05
% Change Compared to base due to sensitivity	0.07%	-0.07%	0.04%	-0.04%

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 the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated
Year ended
31 March, 2018 Year ended
31 March, 2017

32 Finance costs		
Interest Expenses on		
- Borrowings from Banks and Others	41.67	43.87
- Others	0.06	0.05
	<u>41.73</u>	<u>43.92</u>
33 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	29.08	26.23
Amortisation of intangible assets	0.85	0.65
	<u>29.93</u>	<u>26.88</u>
34 Other Expenses		
Power and Fuel	33.68	32.16
Rent	2.27	1.77
Rates and Taxes	13.63	12.41
Insurance	2.90	2.54
Apartment Expenses**	15.15	14.72
Guest Supplies	5.23	5.37
Replacement of Cutlery, Crockery, Glassware etc.	1.22	1.09
Advertisement and Sales Promotion	6.96	8.18
Commission	15.99	8.18
Repairs to Buildings	2.99	3.13
Repairs to Machinery	5.37	4.38
Repairs to Others	5.82	5.43
Printing and Stationery	2.17	1.72
Postage, Telephone and Telex	2.16	2.32
Legal and Professional Charges	13.13	14.16
Security Charges	4.62	3.67
Travelling and Conveyance	9.55	7.96
Loss on Disposal / Sale of Tangible Assets	1.19	0.03
Bad Debts / Advance Written Off	-	0.25
Provision for Doubtful Debts	1.87	5.76
Net Loss on foreign currency transaction	0.29	*
Royalty	11.06	10.57
Miscellaneous expenses	11.63	13.91
Payments to auditors (refer note 34 A below)	0.55	0.57
	<u>169.43</u>	<u>160.29</u>
34 A Details of Payment to Auditors		
Payment to auditors		
As Auditors		
- Audit Fee for Standalone Financial Statements	0.31	0.33
- Consolidated Financial Statements	0.03	0.05
- Limited Review of Standalone Financial Statements	0.10	-
In other capacities		
- Other Matters (Certificates etc.)	-	0.13
- Out of Pocket Expenses	0.03	0.01
- Service Tax	0.08	0.05
	<u>0.55</u>	<u>0.57</u>

* Below rounding off norms

** Apartment expenses includes consumption of stores supplies (linen, carpet & upholstery, room decoration material, etc) made to the rooms on account of service and other related costs.



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

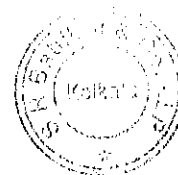
35 Information relating to Micro and Small and Medium Enterprises (MSMEs)

	As at 31 March, 2018	As at 31 March, 2017
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	0.02	0.06
Interest	*	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	0.08	0.08
(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	0.01

* Below rounding off norms

36 Computation of Earning per Equity Share

	As at 31 March, 2018	As at 31 March, 2017
(a) (i) Number of Equity Shares at the beginning of the year	1,88,82,353	1,88,82,353
(ii) Number of Equity Shares at the end of the year	1,74,66,176	1,88,82,353
(iii) Weighted average number of Equity Shares outstanding during the year	1,81,74,265	1,88,82,353
(iv) Face Value of each Equity Share Rs.	10	10
(b) Profit/(Loss) after tax attributable to Equity Shareholders	(8.10)	10.16
(c) Basic and Diluted Earnings/(Loss) per Share [(b)/(a)(iii)] - Rs.	(4.46)	5.38



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

37 Related Party Disclosures

Related party disclosures pursuant to Ind AS 24.

(i) **Related Parties**

(a) **Subsidiary**

Apeejay Charter Private Limited
Apeejay Hotels & Restaurants Private Limited

(b) **Joint Venture**

Apeejay Hotels (Panama) Inc.

(c) **Key Management Personnel**

Mr. Vijay Dewan
Ms. Priya Paul
Mr. Karan Paul
Mr. Atul Khosla
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
CFO
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

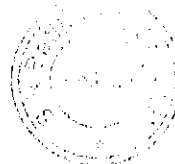
(ii) **Particulars of Transactions with Related Parties**

	Year ended 31 March, 2018	Year ended 31 March, 2017
A) Subsidiary Company (Apeejay Charter Private Limited)		
- Hiring Charges paid	0.05	0.03
B) Investing Party in respect of which the Company is an Associate		
Flurys Swiss Confectionary Private Limited		
- Purchase of Confectionery etc.	0.66	0.81
- Sale of Services	0.02	0.02
- Royalty	0.01	0.01
- Reimbursement of Expenses	0.12	0.04
C) Key management personnel of the Company		
- Managerial Remuneration		
Vijay Dewan		
Director's Remuneration		
Short-term employment benefits	3.06	2.90
Post-employment benefits	0.13	0.48
Atul Khosla		
Short-term employment benefits	1.00	0.92
Post-employment benefits	0.14	0.14
- 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	*	*

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

	As at 31 March, 2018	As at 31 March, 2017
A) Subsidiary Company		
- Apeejay Charter Private Limited		
Corporate Guarantee	0.84	0.84
Investments	0.02	0.01
B) Investing Party in respect of which the Company is an Associate		
Trade Receivables	0.01	0.01
Advances	0.04	0.13
Trade Payables	0.45	0.59

* Below rounding off norms



Apeejay Surrendra Park Hotels Limited

Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

38 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. 2.27 Crores (31 March, 2017 - Rs. 1.77 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. 2.96 Crores (31st March, 2017 - 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, 2017 - Rs. 0.18 Crores) has been recognized in the Statement of Profit and Loss in keeping with lease arrangements.

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

40 CSR Expenditure

	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Gross amount required to be spent by the company during the year	0.02	0.03
(b) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) Purposes other than i) above	0.24	0.30

41 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, 2018	As at 31 March, 2017
Non-current Borrowing (including current maturities of long term debt)	421.29	410.67
Current Borrowing	55.49	41.75
Less: Cash and cash equivalents	(7.75)	(3.02)
TOTAL BORROWING (NET)	469.03	449.40
Total equity	578.54	618.50
TOTAL CAPITAL (EQUITY+ NET DEBT)	1,047.57	1,067.90

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March, 2018.



42 Fair Value Measurements

(i) Financial Instruments by category

	As at 31 March, 2018				As at 31 March, 2017			
	FVTPL*	FVOCI**	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets								
Investments	0.03	-	0.02	0.05	0.05	-	0.01	0.06
- Equity Instruments	-	-	26.73	26.73	-	-	26.46	26.46
Trade receivables	-	-	0.21	0.21	-	-	22.36	22.36
Loans	-	-	7.75	7.75	-	-	3.02	3.02
Cash and cash equivalent	-	-	0.18	0.18	-	-	0.39	0.39
Other bank balances	-	-	-	-	-	-	-	-
Derivative Financial Assets	-	-	-	-	0.90	-	-	0.90
Security deposits	-	-	6.39	6.39	-	-	12.15	12.15
Other financial assets	-	-	7.16	7.16	-	-	6.77	6.77
Total	0.03	-	48.44	48.46	0.95	-	71.16	72.11
Financial Liabilities								
Borrowings	-	-	439.30	439.30	-	-	421.16	421.16
Current maturities of long-term debt	-	-	37.47	37.47	-	-	31.27	31.27
Interest accrued	-	-	0.31	0.31	-	-	0.67	0.67
Derivative Financial Liabilities	-	-	-	-	-	-	-	-
Trade payables	-	-	32.30	32.30	-	-	42.97	42.97
Other financial liabilities	-	-	16.93	16.93	-	-	18.79	18.79
Total	-	-	526.31	526.20	-	-	514.86	514.86

- * Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.
** For debt instruments measured at FVOCI, the carrying amount in the balance sheet reflected at fair value.

(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 investors 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 represent quoted market price at the Balance Sheet date.
(c) The fair value of derivative contracts (Options and Interest rate swaps) is determined based on 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.

(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, 2018				As at 31 March, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Financial Assets at FVTPL								
Investments	-	-	0.03	0.03	0.01	-	0.04	0.05
- Equity Instruments	-	-	-	-	-	-	-	-
- Mutual Funds	-	-	-	-	-	-	-	-
Derivative Financial Assets	-	-	-	-	-	0.90	-	0.90
Total	-	-	0.03	0.03	0.01	0.90	0.04	0.95

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 exchange 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, 2018 and 31 March, 2017.

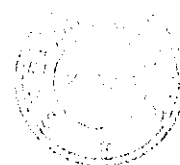
Some of the Company's financial assets are carried at fair values for which Level 3 inputs have been used.

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. 0.03 Crores (31 March, 2017 - 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 the fair value. During the current year, 15,000 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 the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

43 Financial Risk Management

The Company's principal financial liabilities comprise of 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 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, 2018	31 March, 2017
Loss allowance at the beginning of the year	5.60	4.76
Change in allowance during the year	1.37	0.84
Loss allowance at the end of the year	6.97	5.60

(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.

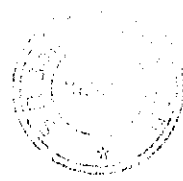
(B) Liquidity Risk

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, 2018				
Borrowings (including current maturities)	92.97	222.44	163.84	479.25
Trade payable	32.20	-	-	32.20
Other financial liabilities	16.93	-	-	16.93
	142.10	222.44	163.84	528.38
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



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

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, 2018	31 March, 2017
Foreign currency loan Payables	75.59	86.16
Forex Structured Option Contracts	-	(28.87)
Net Exposure to Foreign Currency Risk	75.59	57.29

(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 2018 and 31 March 2017:

USD Sensitivity	Impact on profit before tax	
	FY 2017-18	FY 2016-17
INR/USD - Increase by 5% *	(3.78)	(2.86)
INR/USD - Decrease by 5% *	3.78	2.86

(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:

	31 March, 2018	31 March, 2017
Total borrowings (including current maturities)		
Variable rate borrowings	421.20	408.71
Fixed rate borrowings	58.05	43.71
	479.25	452.42

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

	31 March, 2018	31 March, 2017
Variable rate borrowings	421.20	408.71
Interest rate swaps (Principal)	-	(86.61)
Net exposure to cash flow interest rate risk	421.20	322.10

(b) Sensitivity

USD Sensitivity	Impact on profit before tax	
	FY 2017-18	FY 2016-17
Interest Rates - Increase by 50 basis points (50 bps) *	2.11	1.62
Interest Rates - Decrease by 50 basis points (50 bps) *	(2.11)	(1.62)

(III) Security Price risk

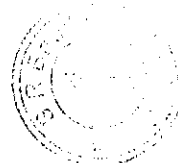
Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

(a) Security price risk exposure

The Company's exposure to securities price risk arises from investments in equity instruments held by the Company and classified in the Balance Sheet as fair value through profit or loss.

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.

* Holding all other variable constant



Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements for the year ended 31 March, 2018

All amounts in Rupees Crores, unless otherwise stated

44 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 2018	As at 31 March 2017
Current Assets		
Financial assets		
Inventories	30.47	27.86
Total current assets pledged as security (A)	16.88	14.45
Non-current Assets	47.35	42.31
Property, Plant and Equipment	504.00	495.09
Capital Work-in-progress	2.15	10.27
Intangible Assets	1.45	1.07
Total non-currents assets pledged as security (B)	507.60	506.43
Total assets pledged as security (A+B)	554.95	548.74

45 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 115

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018.

The Company is in the business of providing hotel and hospitality services. The services are provided both on their own in separate identified contracts with customers and together as a bundled package of goods and/or services.

Loyalty points

Under Appendix B to Ind AS 18 Customer Loyalty Programmes, the loyalty programme offered by the Company in the allocation of a portion of the transaction price to the loyalty programme using the fair value of points issued and recognition of the deferred revenue in relation to points issued but not yet redeemed or expired. The Company concluded that under Ind AS 115, the loyalty programme gives rise to a separate performance obligation because it generally provides a material right to the customer. Under Ind AS 115, the Company will need to allocate a portion of the transaction price to the loyalty programme based on relative standalone selling price instead of the allocation using the fair value of points issued, i.e., residual approach, as it did under Appendix B to Ind AS 18. The Company is determining the implementation of Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Ind AS 116

This Standard is effective from annual periods beginning on or after 1st April, 2019 and the company is in the process of identifying its impacts of transitions for below mentioned transitions:

Lessee Accounting:

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required to classify leases as finance lease and operating lease.

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows. Under Ind AS 17, for operating leases, lessee is required to recognise the lease payments as an expense on a straight-line basis unless another systematic basis is representative of the time pattern of the user's benefit.

Ind AS 116 requires detailed disclosure for lessees as compared to Ind AS 17.



Lessor Accounting:

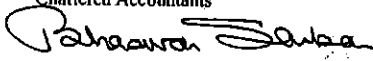
Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Ind AS 116 contains additional disclosure requirements for lessors as compared to Ind AS 17, such as, disclosure of maturity analysis of lease payments; quantitative and qualitative explanation of significant changes in carrying amount of new investment in finance leases etc.

Ind AS 116 contains specific provision for lease modification for lessor and lessee. Ind AS 17 does not specifically provide how to account for lease modification.

As per report of even date

For S.R. Batliboi & Co LLP
ICAI Firm Registration No. : 301003E/B300005
Chartered Accountants




per Bhaswar Sarkar
Partner
Membership No. 55596




Place of Signature: Kolkata
Date: September 26, 2018

For and on behalf of The Board of Directors


Atul Khosla
Chief Financial Officer


Shalini Keshan
Company Secretary

Vijay Dewan
Managing Director
DIN: 00051164


Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: September 26, 2018