22, Camac Street
3rd Floor, Block 'B'
Kolkata - 700 016, India
Tel : +91 33 6134 4000

INDEPENDENT AUDITOR'S REPORT

To the Members of Apeejay Surrendra Park Hotels Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management 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 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 the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the 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;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 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;

   (h) 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 40 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Bhaswar Sarkar

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 19055596AAAACA7828
Place of Signature: Kolkata
Date: September 30, 2019

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 except for certain particulars relating to interiors of hotel building.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying all items of fixed assets 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 the immovable properties acquired through scheme of amalgamation in the previous years. As explained to us, registration of title deeds is in progress in respect of such immovable properties aggregating to Rs. 24.99 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. There was no inventory lying with third parties.

(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, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees given have been complied with by the Company. No securities have been provided to which the provisions of section 185 and 186 of the Companies Act 2013 apply.

(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.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other applicable statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. There has been significant delay in depositing undisputed goods and service tax with the appropriate authorities. During the year the Company did not have any dues towards service tax.

(b) According to the information and explanations given to us, undisputed dues 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 applicable statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of the statue	Nature of the dues	Amount (in Rs. crores)	Period to which the amount relates	Due Date	Date of payment
Goods and Services Tax (GST) Act, 2017	GST	1.87	October 17 - September 18	October, 2018	Not yet paid
The Employees Provident Funds and Miscellaneous Provisions Act 1952	Provident Fund	0.01	April 18 - September 18	October, 2018	Not yet paid

(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 statue	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	5.57	0.64	4.93	2004-05 to 2017-18	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.14	-	0.14	Assessment Year 2013-14 to AY 2014-15	Commissioner of Income Tax (Appeals)

(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. During the year, the Company did not have any loans or borrowing from government. The Company has not raised any funds by way of debentures.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purposes for which they were raised other than term loans aggregating INR 45.00 crores which were used for giving inter corporate deposits pending their utilisation for purposes for which they were taken. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.

(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 as per the information and explanation given by the management and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the 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 and hence not commented upon.

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

Bhaswar Sarkar

per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 19055596AAAACA7828
Place of Signature: Kolkata
Date: September 30, 2019

Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone 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, 2019 in conjunction with our audit of the standalone 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 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 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 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 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 financial statements.

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

A Company's internal financial control over financial reporting with reference to these standalone 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 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 Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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
UDIN: 19055596AAAACA7828
Place of Signature: Kolkata
Date: September 30, 2019

Apeejay Surrendra Park Hotels Limited
Standalone Balance Sheet as at 31 March 2019
(All amounts in INR Crores, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Fixed Assets			
Property, plant and equipment	3	1,062.18	1,065.72
Capital work-in-progress	3	31.49	22.98
Intangible assets	4	2.88	2.44
Investment in subsidiaries and joint ventures	5	0.02	0.02
Financial Assets			
Investments	6	0.02	0.03
Loans	7	5.42	6.27
Other financial assets	8	3.79	3.56
Advance income tax assets (net)	9	2.03	11.15
Other non current assets	10	13.10	12.04
		1,120.93	**1,124.21**
Current assets			
Inventories	11	13.69	16.88
Financial Assets			
Trade receivables	12	25.91	26.73
Cash and cash equivalents	13	3.69	7.75
Other bank balances	14	0.18	0.17
Loans	15	24.26	0.49
Other financial assets	16	9.89	9.54
Advance income tax assets (net)	17	7.02	-
Other current assets	18	16.39	16.79
		101.03	**78.35**
Total assets		**1,221.96**	**1,202.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	17.47	17.47
Other equity	20	570.73	561.06
Total equity		**588.20**	**578.53**
Non-current liabilities			
Financial liabilities			
Borrowings	21	388.82	383.82
Other financial liabilities	22	0.03	0.03
Other non current liabilities	23	-	10.69
Provisions	24	5.14	4.31
Deferred tax liabilities (net)	25	61.54	63.87
		455.53	**462.72**
Current liabilities			
Financial liabilities			
Borrowings	26	52.18	55.49
Trade payables	27		
(a) Total outstanding dues of micro enterprises and small enterprises		0.57	0.02
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		39.98	32.39
Other financial liabilities	28	63.42	54.68
Provisions	29	7.10	6.33
Other current liabilities	30	14.98	12.40
		178.23	**161.31**
Total liabilities		**633.76**	**624.03**
Total equity and liabilities		**1,221.96**	**1,202.56**
Corporate information & summary of significant accounting policies	1&2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

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

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of Signature: Kolkata
Date 30 SEPTEMBER 2019

For and on behalf of the Board of Directors of Apeejay Surrendra Park Hotels Limited

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 30 SEPTEMBER 2019

Apeejay Surrendra Park Hotels Limited

Standalone Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in INR Crores, unless otherwise stated)

	Notes		Year ended 31 March 2019		Year ended 31 March 2018
Income					
Revenue from contracts with customers	31		415.99		379.78
Other income	32		12.00		7.53
Total income			**427.99**		**387.31**
Expenses					
Consumption of provisions, beverages, wines/liquor and smokes	33		68.33		59.68
Employee benefit expenses	34		80.40		80.08
Finance costs	35		49.53		41.73
Depreciation and amortization expense	36		29.77		29.93
Other expenses	37		186.86		169.43
Total expenses			**414.89**		**380.85**
Profit before tax			**13.10**		**6.46**
Tax expense	25				
Current tax		2.83		2.01	
Less: MAT credit entitlement		(2.83)	-	(2.01)	-
Adjustment of tax relating to earlier periods			1.55		-
Deferred tax charge			0.93		14.58
Total tax expense			**2.48**		**14.58**
Profit/(Loss) for the year			**10.62**		**(8.12)**
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Re-measurements losses on defined benefit obligations			(1.38)		(0.52)
Income tax effect on above			0.43		0.16
Other comprehensive income for the year, net of tax			**(0.95)**		**(0.36)**
Total comprehensive income for the year, net of tax			9.67		(8.48)
Earnings per equity share	38				
[Nominal Value per share INR 10 (31 March 2018: INR 10)]					
Basic & Diluted			6.08		(4.40)
Corporate information & summary of significant accounting policies	1&2				

The accompanying notes are an integral part of the standalone financial statements

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

per Bhaswar Sarkar
Partner
Membership No. 55596

Place of Signature: Kolkata
Date: 30 SEPTEMBER 2019

For and on behalf of the Board of Directors of Apeejay Surrendra Park Hotels Limited

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: 30 SEPTEMBER 2019

Apeejay Surrendra Park Hotels Limited
Statement of Cash Flow for the year ended 31 March 2019
(All amounts in INR Crores, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Operating activities**		
	Profit before tax	**13.10**	6.46
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortization expense	29.77	29.93
	Loss on disposal / sale of tangible assets	1.56	1.19
	Interest on advances, deposits and tax refunds	(5.68)	(1.59)
	Finance costs	49.53	41.73
	Net loss on foreign currency transactions	3.44	0.29
	Bad debts / advance written off	0.09	0.49
	Liabilities no longer required written back	(0.86)	(0.83)
	Provision for doubtful debts no longer required written back	(0.50)	(0.07)
	Fair value loss on financial assets (investments) at FVTPL	*	*
	Provision for entertainment tax	-	0.81
	Provision for doubtful debts and advances	1.98	1.37
		92.43	79.78
	Working capital adjustments :		
	Increase in current / non-current provisions	0.81	1.77
	(Decrease) / increase in current / non-current financial liabilities	2.24	(2.48)
	(Decrease) in current / non-current other liabilities	(8.11)	(13.70)
	(Decrease) / increase in trade payables	11.31	(9.73)
	(Increase) in trade receivables	(1.34)	(2.07)
	Decrease in loans	0.72	5.76
	(Increase) / decrease in current / non-current financial assets	4.52	(6.58)
	(Increase) / decrease in current / non-current other assets	(0.57)	17.07
	(Increase) / decrease in inventories	3.19	(2.43)
		12.76	**(12.39)**
	Cash generated from Operations	**105.19**	**67.39**
	Income taxes paid (net)	(2.87)	(2.87)
	Net cash flows from operating activities (A)	**102.32**	**64.52**
B.	**Investing activities :**		
	Purchase of tangible property, plant and equipment and intangible assets	(37.23)	(36.37)
	Proceeds from sale of property, plant and equipment	0.49	0.20
	Proceeds from sale of current investment	0.01	0.01
	Loans (given) / refund received during the year	(23.64)	22.00
	Funds placed in long-term deposits with bank	(0.01)	-
	Interest income received	0.58	2.96
	Net cash flows used in investing activities (B)	**(59.80)**	**(11.20)**
C.	**Financing activities :**		
	Proceeds from non-current borrowings	45.00	118.67
	Proceeds/(repayment) from/of current borrowings (net)	(3.31)	13.74
	Repayment of non-current borrowings	(38.71)	(108.06)
	Finance costs paid	(49.59)	(42.09)
	Payment for buy back of equity shares	*	(31.47)
	Net cash flows used in financing activities (C)	**(46.61)**	**(49.21)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(4.09)**	**4.11**
	Cash and cash equivalents at the beginning of the year	7.13	3.02
	Cash and cash equivalents at the end of the year	**3.04**	**7.13**
	* Below rounding off norms		
	Cash and cash equivalents comprise :		
	Cash on hand (refer note 13)	1.79	1.36
	Cheques on hand (refer note 13)	0.42	0.39
	Balances with banks:		
	- Deposits with original maturity upto three months (refer note 13)	-	0.02
	- On current accounts (refer note 13)	1.48	5.98
	Bank overdrafts (refer note 28)	(0.65)	(0.62)
		3.04	**7.13**

Corporate information & summary of significant accounting policies (Refer note 1&2)
The accompanying notes are an integral part of the standalone financial statements

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

Bhaswar Sarkar

per Bhaswar Sarkar
Partner
Membership No. 55596

Place of Signature: Kolkata
Date: 30 SEPTEMBER 2019

For and on behalf of the Board of Directors of Apeejay Surrendra Park Hotels Limited

Atul Khosla

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan

Shalini Keshan
Company Secretary

Ashok Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: 30 SEPTEMBER 2019

APEEJAY SURRENDRA PARK HOTELS LIMITED

Apeejay Surrendra Park Hotels Limited
Statement of Changes in Equity for the year ended 31 March 2019
(All amounts in INR Crores, unless otherwise stated)

a. Equity share capital

Particulars	Note reference	Balance as at 1 April 2017	Increase / (Decrease) in equity share capital during the year	Balance as on 31 March 2018	Increase / (Decrease) in equity share capital during the year	Balance as at 31 March 2019
Equity Share Capital	19	18.88	(1.41)	17.47	-	17.47

b. Other equity

Particulars	Note reference	Reserves and Surplus				Total
		Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2017	20	*	213.87	80.15	305.58	599.60
Loss for the year		-	-	-	(8.12)	(8.12)
Transfer to Capital Redemption Reserve on account of buy back of shares		1.41	-	(1.41)	-	-
Adjusted for buy back of shares		-	(30.06)	-	-	(30.06)
Other comprehensive income:						
Remeasurement of defined benefit obligations (net of tax)		-	-	-	(0.36)	(0.36)
Balance as at 31 March 2018	20	1.41	183.81	78.74	297.10	561.06
Profit for the year		-	-	-	10.62	10.62
Other comprehensive income:						
Remeasurement of defined benefit obligations (net of tax)		-	-	-	(0.95)	(0.95)
Balance as at 31 March 2019	20	1.41	183.81	78.74	306.77	570.73

* Below rounding off norms

Corporate information & summary of significant accounting policies (Refer note 1&2)
The accompanying notes are an integral part of the standalone financial statements

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

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Partner
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Date: 30 SEPTEMBER 2019

S.R. Batliboi & Co LLP Kolkata

APEEJAY SURRENDRA PARK HOTELS LIMITED

1. Corporate information

Apeejay Surrendra Park Hotels Limited ('the Company') was incorporated on 27 November 1987. The Company is a pioneer of luxury boutique hotels in India and is primarily engaged in the business of owning, operating and managing hotels under names "The Park Hotels, The Park Collection and Zone by The Park". It is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 17, Park Street, Kolkata, West Bengal, India, 700016.

2. Significant Accounting Policies

2.1 Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied except for changes in accounting policies mentioned in Note 2.2(t). Further, the standalone financial statements have been prepared on historical cost basis except certain financial assets and liabilities which are measured at fair values.

The standalone financial statements are presented in INR Crores, except when otherwise indicated and all the values are rounded to two decimal places.

2.2 Summary of significant accounting policies

a) Current and non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle of the Company
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has estimated its operating cycle to be 12 months.

b) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. On transition to Ind AS, the Company had elected to measure all of its property, plant and equipment at the previous GAAP carrying value (deemed cost).
Cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major renovation is carried out related costs are capitalized, where considered appropriate, with a corresponding adjustment to the carrying value of related assets for discard.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment and other items of 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 technical assessment
Plant & Machinery and Electrical Installation	20
Office Equipment	6
Buildings	30-100
Furniture & Fixtures	15-20
Vehicles	8
Computers	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. Leasehold land is depreciated over the term of lease.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal/ discard or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

c) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost less accumulated impairment loss, if any. Cost includes development costs, borrowing costs and other direct expenditure.

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Apeejay Surrendra Park Hotels Limited

d) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. On transition to Ind AS, the Company had elected to measure all of its intangible assets at the previous GAAP carrying value (deemed cost). The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. 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 capitalized. Subsequent costs associated with maintaining such software are recognized 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Subsequent measurement (amortization)

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The cost of capitalized software is amortized over a period of 5 years from the date of its acquisition.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Investment in equity instruments of subsidiaries and joint ventures

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

Investment in equity instruments of subsidiaries and joint ventures are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss. For any benefit provided to a subsidiary/ joint venture, such benefit is fair valued and the difference between such fair value and contracted charge is adjusted to the carrying value of investments in that subsidiary/ joint venture.

f) Inventories

Inventories comprise provisions, beverages and smokes, wine and liquor, crockery, cutlery, glassware, linen, etc. and stores and spares having operating supplies such as stewarding, engineering equipment, etc. Inventories are valued at the lower of cost and net realizable value.

Costs includes purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs that have to be incurred in connection with the sale.

g) Revenue from contract or services with customer and other streams of revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration which the Company expects to realize in exchange for those goods or services and no significant uncertainty exists as regards the ultimate collectability of such consideration.
The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Pursuant to the application of Ind AS 115 – 'Revenue from Contracts with Customers' effective from 1 April 2018, the Company has applied following accounting policy for revenue recognition:

Revenue from sale of goods and services:
Revenue includes room revenue, food & beverage sale, wine & liquor sale, banquet and other ancillary services. Performance obligations in contracts with customers are met through the stay of guest in the hotel or on sale of goods and on rendering of services as per the terms of contract with the customer.
Revenue is recognized at the transaction price allocated to the performance obligation and is recognized net of discounts, any entitlements that may accrue to the customer for subsequent utilization and sales related taxes in the period in which the services are rendered. The Company collects Value Added Tax (VAT) and Goods and Service Tax (GST) on behalf of the government. Therefore, these are not economic benefits flowing to the Company and hence excluded from revenue.

In relation to laundry income, telephone income, internet income, health club income, spa services and other allied services, revenue is recognized on accrual basis on rendering of such services.

Revenue in respect of customer loyalty entitlements are recognized when such entitlements (loyalty points) are either redeemed by the customers or on its expiry.

Other Operating Revenue:
Other operating revenues are recognized as follows:
- Revenue from hotel management fees are recognized on accrual basis on rendering of related services as per terms of underlying arrangements.
- Exports entitlements [arising out of Served from India Scheme (SFIS)] are recognized when the right to receive related benefits 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 collectability of relevant export proceeds.

Other Income:
Other Income is recognized as follows:
- Rental income is recognized 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 and Loss due to its operating nature, refer Note 2.2(o).
- For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized 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 but does not consider the expected credit losses.
- Other income is recognized as and when it accrues.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before

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payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets with respect to initial recognition and subsequent measurement in Note 2.2(p).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

h) 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, where the company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit can be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credits, any unabsorbed losses and tax benefits to which the Company will be entitled to on expected disposal of immovable properties. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses

Expenses and income are recognized net of the amount of Sales/ value added taxes/Good and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

j) Foreign currencies

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees ('₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency 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. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.
Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

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

k) Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution plan. The Company deposits its monthly contribution with the Regional Provident Fund Commissioner in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Company has no further obligation in this regard. 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

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paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.
Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

l) Impairment of non-financial assets

At each reporting date, 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 recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss is recognized 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 calculation. 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.

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.

m) Cash and cash equivalents

Cash and cash equivalents 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.

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n) Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) because 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 a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for:

- Obligations in respect of which outflow of resources embodying economic benefits is not probable but possible and such outflow which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where an outflow of resources embodying economic benefits is probable but the amount of that obligation cannot be reliably estimated at the reporting date.

Contingent assets are neither recognized nor disclosed except when realization of income is virtually certain, related asset is disclosed.

o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

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

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance cost 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 recognized 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 the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Fit-out rental income is recognized in the Statement of Profit and Loss on accrual basis.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net

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investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

i. **Financial assets carried at amortized 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments of subsidiaries and joint ventures**– Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 'Separate Financial Statements'.

iii. **Investments in other equity instruments** – Investments in 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 (FVTOCI) 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.

De-recognition of financial assets

A financial asset is primarily de-recognized 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.

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 for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(i) Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

(ii) Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

2) Non-derivative financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

3) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

De-recognition of financial liabilities

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

4) Reclassification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including Impairment gains or losses) or interest.

5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Fair value measurement

The Company measures its financial instruments 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.

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

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

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is unobservable

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

Management carries out the valuation based on its experience, market knowledge and in line with the applicable accounting requirements. Involvement of external valuers is decided upon annually by the management

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.

- Disclosures for valuation methods, significant estimates and assumptions (Refer note 48)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 48)
- Investment in unquoted equity shares (Refer note 48)
- Financial instruments (including those carried at amortised cost) (refer note 48)

r) Government grants

The government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The Company imports capital goods and avails concession for custom duty under Export Promotion Capital Goods Scheme ("the Scheme"). The quantum of duty concession availed is added to the carrying value of the particular Property, plant and equipment and a corresponding deferred income is recognized. Based on the terms and conditions of the Scheme, the grant received is to compensate the import of cost of assets subject to export obligation prescribed in the Scheme. The grant is recognized in the Statement of Profit and Loss on the basis of fulfilment of related export obligation as prescribed in ITFG issued by ICAI (Institute of Chartered Accountants of India) through clarification Bulletin 11.

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

s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

t) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 'Revenue from Contracts with Customers' for the first time. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective. The nature and effect of the changes as a result of adoption of these new accounting standards is described below:

Ind AS 115 Revenue from Contracts with Customers
Ind AS 115 supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The application of Ind AS 115 has not impacted the Company's accounting for recognition of revenue and there is no impact on the opening retained earnings as on 1 April 2018.

Amendment to Ind AS 20 Government grant related to non-monetary asset
The amendment allows an entity to the option of recording non-monetary government grants at nominal amount and presenting government grants related to assets by deducting the grant from the carrying amount of asset.
There is no impact of this amendment on the Company as there are no non-monetary grants.

Amendment to Ind AS 38 Intangible asset acquired free of charge
The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's standalone financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations
The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. Since Company's current practice is in line with the clarifications issued, there is no material effect on its standalone financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealized Losses
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.
Entities are required to apply the amendments retrospectively. On initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.
Since Company's current practice is in line with the clarifications issued, there is no material effect on the standalone financial statements.

Ind AS 28 Investments in Associates and Joint Ventures
Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice. Since Company's current practice is in line with the clarifications issued, there is no material effect on the standalone financial statements.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities
The amendments clarified that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Since, there has been no such sale of interest in joint venture which is to be classified as held for sale and thus the amendment doesn't have any impact on the standalone financial statements.

u) Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone 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

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of assets.

Provisions including contingent liabilities – Legal proceedings covering a large range of matters are pending against the Company. Due to 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. Accordingly, at each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on technical assessment of the remaining expected useful lives of depreciable assets carried out by an independent valuer. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Related year end obligations are determined on the basis of actuarial valuation carried out by an independent actuary.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Apeejay Surrendra Park Hotels Limited
Notes to the Standalone Financial Statements as at and for the year ended 31 March 2019
(All amounts in INR Crores, unless otherwise stated)

3 Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Buildings [Refer (a) and (b) below]	Plant and Equipment	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital work-in-progress
Gross block											
Balance as at 1 April 2017	110.04	228.88	537.08	138.94	2.45	34.12	12.57	5.90	35.16	1,105.14	29.37
Additions during the year	-	-	19.82	10.47	1.10	5.62	1.76	0.41	2.39	41.57	25.12
Disposals/capitalisation/adjustments during the year	-	-	(0.67)	1.96	-	(0.32)	(0.67)	(3.40)	(0.01)	(3.11)	(31.51)
Balances as at 31 March 2018	**110.04**	**228.88**	**556.23**	**151.37**	**3.55**	**39.42**	**13.66**	**2.91**	**37.54**	**1,143.60**	**22.98**
Additions during the year	-	-	14.94	5.04	0.82	4.70	0.66	0.20	1.01	27.37	27.35
Disposals/capitalisation/adjustments during the year	-	-	(2.68)	(1.03)	(0.06)	(1.06)	(0.63)	-	(0.18)	(5.64)	(18.84)
Balances as at 31 March 2019	**110.04**	**228.88**	**568.49**	**155.38**	**4.31**	**43.06**	**13.69**	**3.11**	**38.37**	**1,165.35**	**31.49**
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	-
Disposals/adjustments during the year	-	-	(0.08)	(0.51)	*	(0.19)	(0.60)	(0.34)	*	(1.72)	-
Balances as at 31 March 2018	-	**6.63**	**21.08**	**29.13**	**1.33**	**8.53**	**4.17**	**0.55**	**6.46**	**77.88**	-
Depreciation charge during the year	-	2.22	7.78	10.57	0.58	3.27	1.90	0.14	2.40	28.86	-
Disposals/adjustments during the year	-	-	(1.13)	(0.72)	(0.06)	(0.92)	(0.61)	-	(0.15)	(3.59)	-
Balances as at 31 March 2019	-	**8.85**	**27.73**	**38.98**	**1.85**	**10.88**	**5.46**	**0.69**	**8.71**	**103.15**	-
Net Block											
Balances as at 31 March 2018	**110.04**	**222.25**	**535.15**	**122.24**	**2.22**	**30.89**	**9.49**	**2.36**	**31.08**	**1,065.72**	**22.98**
Balances as at 31 March 2019	**110.04**	**220.03**	**540.76**	**116.40**	**2.46**	**32.18**	**8.23**	**2.42**	**29.66**	**1,062.18**	**31.49**

* Below rounding off norms

(a) **Assets given under operating lease**
Gross Block of Buildings include cost of construction of INR 0.95 Crores (31st March 2018 - INR 0.95 Crores) in other area. It also includes certain portion of a Building given under operating lease, the particulars are given below

Particulars	As at 31 March 2019	As at 31 March 2018
Gross Block	4.35	4.35
Accumulated Depreciation	0.44	0.37
Net Block	3.91	3.98

Refer note 44 for information of property plant equipment given under operating lease

(b) **Assets not held in the name of Company**
Title deeds of the immovable properties included in above aggregating to INR 24.99 crores (31 March 2018 - INR 34.29 crores) are in the name of Gemini Hotels & Holdings Limited (GHHL)/Andhra Hotels Private Limited (AHPL) and others on account of amalgamation and merger in earlier 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 148.48 crores (31 March 2018 - INR 242.46 crores) 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 15.44 crores (31 March 2018 - INR 16.61 crores) arising from difference between book values of those portions of land parcels that, based on managements best estimate which is reassessed at each reporting date, are likely to be used for purposes other than the Company's hotel business and their corresponding indexed costs for tax purposes

(d) **Contractual obligation :** refer note 41 for disclosure of contractual commitment for acquisition of Property, plant and equipment

(e) **Capital work in progress:** capital work in progress comprises of expenditure INR 31.49 crores (31 March 2018 INR 22.98 crores) under course of installation and construction of various projects and renovation works

(f) **Property plant and equipment pledged as security:** refer note 21 & 26 for information of plant property plant and equipment pledged as a security for borrowing by Company.

(g) No borrowing cost has been capitalized during the current year and previous year.

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(All amounts in INR Crores, unless otherwise stated)

4. Intangible assets

Particulars	Computer Softwares - (Acquired)	Computer Softwares -(Design)	Total
Gross block			
Balance as at 1 April 2017	2.55	0.87	3.42
Additions during the year	1.21	-	1.21
Balance as at 31 March 2018	**3.76**	**0.87**	**4.63**
Additions during the year	1.35	-	1.35
Balance as at 31 March 2019	**5.11**	**0.87**	**5.98**
Accumulated Amortisation			
Balance as at 1 April 2017	1.34	-	1.34
Amortisation charge during the year	0.85	-	0.85
Balance as at 31 March 2018	**2.19**	-	**2.19**
Amortisation charge during the year	0.91	-	0.91
Balance as at 31 March 2019	**3.10**	-	**3.10**
Net block			
Balances as at 31 March 2018	**1.57**	**0.87**	**2.44**
Balance as at 31 March 2019	**2.01**	**0.87**	**2.88**

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		As at 31 March 2019	As at 31 March 2018
5	**Investment in subsidiaries and Joint Ventures**		
	Unquoted equity shares		
(a)	**In subsidiaries (equity share of INR 10 each) (at cost)**		
	5,200 Equity Shares (31 March 2018 - 5,200 equity shares) of INR 10 each fully paid up in Apeejay Charter Private Limited	0.01	0.01
	10,000 Equity Shares (31 March 2018 - 10,000 equity shares) of INR 10 each fully paid up in Apeejay Hotels & Restaurants Private Limited	0.01	0.01
	Sub -total (A)	**0.02**	**0.02**
(b)	**Joint Ventures (at cost)**		
	Nil Equity Shares (31 March 2018 - 400) of Euro 1 each fully paid up in Apeejay Hotels (Panama) Inc ^	-	*
	Sub -total (B)	-	*
	Total (A+B)	**0.02**	**0.02**
	Aggregate value of unquoted investments	0.02	0.02

* Below rounding off norms
All the investment in equity shares of subsidiary are stated at cost as per IND AS 27 "Separate financial statements"

^ On 27 March 2019, the Company had transferred its investment of 400 equity shares of Euro 1 each of Apeejay Hotels (Panama) Inc at Euro 1 (cost) to Apeejay House Private Limited at face value. Due to the aforesaid transaction Apeejay Hotels (Panama) Inc ceased to be a joint venture of the Company with effect from the said date

		As at 31 March 2019	As at 31 March 2018
6	**Investments**		
	[At fair value through Profit & Loss (FVTPL)]		
	In other company		
	10 Equity Shares (31 March 2018 - 10) of INR 10 each fully paid up in Artistery House Private Limited	*	*
	9,000 Equity Shares (31 March 2018 - 9,000) of INR 10 each fully paid up in Green Infra Wind Farms Limited	0.01	0.01
	12,000 Equity Shares (31 March 2018 - 12,000) of INR 10 each fully paid up in Green Infra Wind Generation Limited	0.01	0.01
	Nil Equity Shares (31 March 2018 - 12,000) of INR 10 each fully paid up in Green Infra Wind Power Generation Limited	-	0.01
	Nil Common Shares (31 March 2018 - 867) of GBP 1 each fully paid up in Apeejay Tea (Panama) Inc	-	*
		0.02	**0.03**
	Aggregate value of unquoted investments	0.02	0.03

* Below rounding off norms

			As at 31 March 2019		As at 31 March 2018
7	**Loans (Non Current)**				
	(Unsecured, considered good unless otherwise stated)				
	Loan to a body corporate (Credit impaired)	2.30		2.30	
	Less Allowance for credit impaired loans	(2.30)	-	(2.30)	-
	Loans to employees		0.07		0.10
	Security deposits		5.35		6.17
			5.42		**6.27**

		As at 31 March 2019	As at 31 March 2018
8	**Other financial assets (Non Current)**		
	Margin money with banks (refer note 14)	3.79	3.56
		3.79	**3.56**

		As at 31 March 2019	As at 31 March 2018
9	**Advance income tax assets (net) (Non Current)**		
	(Unsecured, considered good)		
	Advance income tax paid [Net of provision INR 7.04 Crores (31 March 2018: INR 6.01 Crores)]	2.03	11.15
		2.03	**11.15**

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		As at 31 March 2019		As at 31 March 2018
10 Other assets (Non Current)				
(Unsecured considered good, unless otherwise stated)				
Capital advances		4.40		3.18
Advances recoverable in kind				
Credit impaired	0.81		0.81	
Less: Allowance for credit impaired advances	(0.81)	-	(0.81)	-
Others				
Deferred Staff Cost		0.02		0.02
Deposit with statutory authorities under protest		5.16		5.16
Balance with government authorities		2.13		2.23
Prepaid expenses		0.39		0.45
		13.10		**12.04**

	As at 31 March 2019	As at 31 March 2018
11 Inventories (Current)		
(Valued at cost or net realisable value, whichever is lower)		
Provisions, beverages (excluding wines and liquors) and smokes	0.97	1.50
Wines and liquors	8.64	11.10
Crockery, cutlery, glassware, linen, etc	1.67	1.79
Stores and spares parts	2.41	2.49
	13.69	**16.88**

	As at 31 March 2019	As at 31 March 2018
12 Trade receivables		
(Unsecured considered good, unless otherwise stated)		
Trade receivables - third parties	25.91	26.72
Trade receivables - related parties (refer note 43)	-	0.01
Total trade receivables *	**25.91**	**26.73**
Break up is as under:		
Unsecured, Considered good	25.91	26.73
Credit impaired	8.02	6.44
	33.93	**33.17**
Impairment allowance		
Credit impaired	(8.02)	(6.44)
Total trade receivables	**25.91**	**26.73**

Trade receivables are non interest bearing and generally on terms of 60 to 90 days
Trade receivables have been pledged as a security for borrowing, refer note no. 21 & 26 for details

* Trade receivables include contract assets i.e. unbilled revenue of INR 1.24 crores as on 31 March 2019

	As at 31 March 2019	As at 31 March 2018
13 Cash and cash equivalents		
Cash on hand*	1.79	1.36
Cheques on hand	0.42	0.39
Balances with banks		
- On current accounts	1.48	5.98
- Deposits with original maturity upto three months	-	0.02
	3.69	**7.75**

Deposits are made for varying periods of between one day and three months, depending on the immediate cash requirement of the Company, and earn interest at the respective short-term deposit rates
* Cash on hand includes credit card charge slips and foreign currency on hand

Changes in liabilities arising from financing activities

Particulars	Balance as at 1 April 2018	Cash flows	Exchange differences	EIR adjustment	Balance as at 31 March 2019
Long Term Borrowings (Current and Non Current)	421.29	6.29	5.27	(0.02)	432.83
Short Term Borrowings	34.79	(22.74)	-	-	12.05
Loan Repayable on Demand (Cash Credit)	20.70	19.43	-	-	40.13
Total liabilities from financing activities	**476.78**	**2.98**	**5.27**	**(0.02)**	**485.01**

Particulars	Balance as at 1 April 2017	Cash flows	Exchange differences	EIR adjustment	Balance as at 31 March 2018
Long Term Borrowings (Current and Non Current)	410.26	10.61	-	0.42	421.29
Short Term Borrowings	34.79	-	-	-	34.79
Loan Repayable on Demand (Cash Credit)	6.96	13.74	-	-	20.70
Total liabilities from financing activities	**452.01**	**24.35**	**-**	**0.42**	**476.78**

		As at 31 March 2019		As at 31 March 2018
14 Other bank balances				
Deposits with maturity more than 3 months and less than 12 months		3 97		3 73
Less Margin money with banks (refer note 8)		(3 79)		(3 56)
		0.18		0.17

	As at 31 March 2019	As at 31 March 2018
15 Loans (Current)		
(Unsecured, considered good, unless stated otherwise)		
Loan to a body corporate (including dues from related party of INR 2 00 crores; 31 March 2018 Nil)	23 64	-
Loan to Employees	0 10	0 12
Security deposits	0 52	0 37
	24.26	0.49

Loans to body corporate carries interest at rate of 10% p a and is repayable on demand

		As at 31 March 2019		As at 31 March 2018
16 Other financial assets (Current)				
(Unsecured considered good, unless otherwise stated)				
Interest accrued on deposits and loans				
Considered good		5.24		0 14
Credit impaired	1 33		1 33	
Less: Allowance for credit impaired receivables	(1.33)	-	(1 33)	-
Other receivable		4 65		9 40
		9.89		9.54

	As at 31 March 2019	As at 31 March 2018
17 Advance income tax assets (net) (Current)		
(Unsecured, considered good)		
Advance income tax paid	7 02	-
(Net of provision 31 March 2019: INR 1 77 Crores, 31 March 2018 Nil)		
	7.02	-

		As at 31 March 2019		As at 31 March 2018
18 Other assets (Current)				
(Unsecured considered good, unless otherwise stated)				
Advance to a related party (refer note 43)		0.04		0 04
Insurance claim Receivable		-		0.12
Advance recoverable in kind				
Considered good		3 77		5 47
Credit impaired	0.19		0 28	
Less Allowance for credit impaired advances	(0.19)	-	(0.28)	-
Advance to Employees				
Considered good		0 27		0.17
Credit impaired	0 85		0 85	
Less: Allowance for credit impaired advances	(0.85)	-	(0.85)	-
Prepaid expenses		7 74		6 57
Accrued duty exemption benefit **		3 48		3 31
Deferred staff cost		0 02		0 02
Balances with statutory authorities ***				
Considered good		1 07		1 09
Considered credit impaired	0.08		0.08	
Less Allowance for credit impaired advances	(0 08)	-	(0 08)	-
		16.39		16.79

** 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 relevant authorities in respect of excise, GST and value added tax These are generally realised within one year or regularly utilised to offset the GST liability and value added tax liability of the Company Accordingly, these balances have been classified as current assets

LIMITED * APEEJAY SURRENDRA PARK HOTELS

Kolkata

(All amounts in INR Crores, unless otherwise stated)

19 Equity share capital

Authorised equity share capital	Number of Shares	Amount
Equity share at INR 10 each		
As at 1 April 2017	2,00,00,000	20.00
Changes during the year	-	-
As at 31 March 2018	2,00,00,000	20.00
Changes during the year	-	-
As at 31 March 2019	2,00,00,000	20.00
Issued, subscribed and paid-up		
Equity shares of INR 10 each , issued subscribed and fully paid up		
As at 1 April 2017	1,88,82,353	18.88
Changes during the year	(14,16,177)	(1.41)
As at 31 March 2018	1,74,66,176	17.47
Changes during the year	-	-
As at 31 March 2019	1,74,66,176	17.47

(i) **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 INR 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, if any, the distribution will be in proportion to number of equity shares held by the shareholders

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

Particulars	As at 31 March 2019 Number of Shares held	%	As at 31 March 2018 Number of Shares held	%
Flurys Swiss Confectionary Private Limited	52,50,000	30.06%	52,50,000	30.06%
Apeejay Private Limited	34,49,750	19.75%	34,49,750	19.75%
Apeejay Surrendra Trust	30,00,240	17.18%	30,00,240	17.18%
Apeejay Engineering Private Limited	14,50,000	8.30%	14,50,000	8.30%
Apeejay Agencies Private Limited	14,50,000	8.30%	14,50,000	8.30%
Apeejay House Private Limited	14,50,000	8.30%	14,50,000	8.30%
RECP IV Park Hotel Investors Limited	13,66,610	7.82%	13,66,610	7.82%

(iii) **Shares held by an investing party in respect of which the Company is an associate**

Out of equity shares issued by the Company, shares held by the investing party in respect of which the Company is an associate are as below:

	As at 31 March 2019	As at 31 March 2018
Flurys Swiss Confectionary Private Limited		
52,50,000 equity shares (31 March 2018: 52,50,000 equity shares) at INR 10 each	5.25	5.25

(iv) **Aggregate number of equity shares bought back during the period of five years immediately preceding the reporting date:**

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

APEEJAY SURRENDRA PARK HOTELS LIMITED

(All amounts in INR Crores, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
20 Other equity		
Reserves and Surplus		
Capital Redemption Reserve	1 41	1 41
Securities Premium	183 81	183 81
General Reserve	78 74	78 74
Retained Earnings	306 77	297 10
	570.73	**561.06**
(i) Capital redemption reserve		
Balance at the beginning of the year	1 41	*
Add Transferred from General Reserve on account of buy back of shares	-	1 41
Balance at the end of the year	1 41	1 41
(ii) Securities premium		
Balance at the beginning of the year	183 81	213 87
Less Adjusted for buy back of shares	-	30 06
Balance at the end of the year	183 81	183 81
(iii) General reserve		
Balance at the beginning of the year	78 74	80 15
Less Transferred to Capital redemption reserve on account of buy back of shares	-	1 41
Balance at the end of the year	78 74	78 74
(iv) Retained earnings		
Balance as at the beginning of the year	297 10	305 58
Total comprehensive income recognised for the year	9.67	(8 48)
Balance as at the end of the year	306 77	297 10
Total	**570.73**	**561.06**

* Below rounding off norms

Nature and purpose of reserves

Capital redemption reserve
Capital redemption reserve represents amount arisen pursuant to Scheme of Amalgamation and on account of buy back of shares

Securities premium
Securities premium represents premium received on issue of shares The reserve will be utilised in accordance with the provisions of Companies Act. 2013

General reserve
General reserve represents a free reserve not held for any specific purpose

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve appropriation towards dividends or other distributions paid to shareholders, as applicable

APEEJAY SURENDRA PARK HOTELS LIMITED

	As at 31 March 2019	As at 31 March 2018
21 Long term Borrowings		
Secured term loans		
From Banks		
Rupee loans	354.43	329.75
Foreign currency loans	34.39	54.07
Total	388.82	383.82

Repayment terms and security disclosure for outstanding long term borrowing as on 31 March 2019

(i) Rupee Loan from a Bank amounting to INR 100.00 Crores (31 March 2018 - INR 100.00 Crores) secured by way of Equitable Mortgage by deposit of title deed of immovable property 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 INR 100.00 Crores) is repayable from 30 September 2022 with
- first installment of INR 3.11 Crores followed by
- 21 equal quarterly installments of INR 3.87 Crores and
- 4 equal quarterly installments of INR 3.88 Crores

(ii) Rupee Loan from a Bank amounting to INR 49.00 Crores (31 March 2018 - INR 49.50 Crores) secured by way of Equitable Mortgage by deposit of title deed of immovable property 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 INR 50.00 crores) is repayable in
- 8 equal quarterly installments of INR 0.13 Crores repayment started from 30 June 2017, followed by
- 4 equal quarterly installments of INR 0.63 Crores,
- 32 equal quarterly installments of INR 1.29 Crores and
- 4 equal quarterly installments of INR 1.30 Crores

(iii) Rupee Loan from a Bank amounting to INR 79.00 Crores (31 March 2018 - INR 91.00 Crores) is secured by way of mortgage by deposit of title deed of immovable property of the Company situated at Kolkata as first charge ranking pari passu with other banks for their loans. Such loan (original amount being INR 100.00 Crores) is repayable starting 13 August 2017 in
- 8 quarterly installments of INR 3.00 Crores (repayment started from 13 August 2017)
- 12 quarterly installments of INR 3.50 Crores,
- 8 quarterly installments of INR 3.75 Crores and
- 1 installment of INR 4.00 Crores on 13 August 2024.

(iv) Rupee Loan from a Bank amounting to INR 73.00 Crores (31 March 2018 - INR 75.00 Crores) is secured by way of mortgage by deposit of title deed of immovable property of the Company situated at Kolkata as first charge ranking pari passu with other banks for their loans. Such loan (original amount being INR 75.00 crores) is repayable starting 20 December 2018 in
- 8 quarterly installments of INR 1.00 Crores (repayment started from 20 December 2018)
- 4 installments of INR 1.50 Crores,
- 8 installments of INR 3.00 Crores,
- 8 installments of INR 4.00 Crores and
- 1 installment of INR 5.00 Crores

(v) Rupee Loan from a Bank amounting to INR 75.00 Crores (31 March 2018 - INR 30.00 Crores) is secured by way of Mortgage by deposit of title deed of immovable property of the Company situated at Kolkata as first charge ranking pari passu with other banks for their loans. Such loan (original amount being INR 75.00 crores) is repayable starting 31 May 2020 in
- 12 quarterly instalments of INR 0.19 Crores
- 4 installments of INR 0.94 Crores,
- 4 installments of INR 2.25 Crores,
- 8 installments of INR 5.25 Crores and
- 3 installment of INR 6.00 Crores

(vi) Foreign Currency Loan from a Bank amounting to INR 57.49 Crores (31 March 2018 -INR 75.69 Crores) is secured by hypothecation by way of first and exclusive charge 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 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 started from 28 February 2018, all installments being of USD 1,662,500 (Original amount being USD 1.33 Crores)

(vii) Vehicle loans aggregating INR 1.83 Crores (31 March 2018 - INR 2.56 Crores) from banks are secured by way of hypothecation of vehicles financed. Repayable in monthly installments ranging between 36 and 60 installments

(viii) Interest rates on Rupee Loans are varying in the range of 9% to 11% p.a. Interest rates on Foreign Currency loans (USD) are varying in the range of 2% to 5% margin on 6 month LIBOR

(ix) The amounts stated in footnotes (i) to (vii) above are inclusive of any amounts disclosed under Current Maturities of Long Term Borrowings, if any

Note: Borrowings are net of EIR adjustment

(All amounts in INR Crores, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
22 Other non current financial liabilities		
Security deposit received	0.03	0.03
	0.03	**0.03**

	As at 31 March 2019	As at 31 March 2018
23 Other non current liabilities		
Deferred government grants	-	10.69
	-	10.69

	As at 31 March 2019	As at 31 March 2018
24 Provisions (Non Current)		
Provision for Gratuity	5.14	4.31
	5.14	4.31

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APEEJAY SURRENDRA PARK HOTELS LIMITED *

	As at 31 March 2019	As at 31 March 2018
25 Deferred tax liabilities (net)		
(a) Component of Deferred tax liabilities (net)		
Deferred tax liabilities		
Arising on account of temporary differences in		
Accelerated depreciation for tax purposes	120.01	116.62
Others	0.01	0.01
Gross deferred tax liabilities	**120.02**	**116.63**
Deferred tax assets		
Arising on account of temporary differences in		
Unabsorbed depreciation and brought forward business losses	25.83	22.70
Allowed only on payment basis	8.87	9.11
MAT credit entitlement	23.78	20.95
Gross deferred tax assets	**58.48**	**52.76**
Net deferred tax liabilities (including MAT credit entitlement)	**61.54**	**63.87**
(b) Reconciliation of deferred tax liabilities:		
Opening balance as of 1 April	63.87	51.46
Tax expense during the year recognised in Statement of Profit and Loss	0.93	14.58
Tax income during the year recognised in Other Comprehensive Income	(0.43)	(0.16)
MAT credit entitlement	(2.83)	(2.01)
Closing Balance as at 31 March	61.54	63.87

(i) The asset of INR 23.78 crores (31 March 2018 : INR 20.95 crores) 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 115JAA of the Income tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

(ii) Deferred tax asset is recognized on unabsorbed depreciation and carry forward losses to the extent 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 utilised. The Company has tax losses of INR 82.79 crores (31 March 2018 : INR 79.24 crores) that are available for offsetting for eight years against further taxable profits. Company believes there is reasonable certainty that deferred tax asset will be recovered.

(c) Movement in deferred tax liabilities, net

Movement in deferred tax liabilities for current year

Particulars	**Balance as at 1 April 2018**	**Recognized in Statement of Profit and Loss**	**Recognized in OCI**	**Balance as at 31 March 2019**
Deferred tax liabilities				
Accelerated depreciation for tax purposes	116.62	(3.39)	-	120.01
Others	0.01	-	-	0.01
	116.63	**(3.39)**	**-**	**120.02**
Deferred tax assets				
Unabsorbed depreciation and brought forward business losses	22.70	(3.13)	-	25.83
Allowed only on payment basis	9.11	0.67	(0.43)	8.87
MAT credit entitlement	20.95	(2.83)	-	23.78
	52.76	**(5.29)**	**(0.43)**	**58.48**
Net deferred tax liabilities	**63.87**	**1.90**	**0.43**	**61.54**

Movement in deferred tax liabilities for previous year

Particulars	**Balance as at 1 April 2017**	**Recognized in Statement of Profit and Loss**	**Recognized in OCI**	**Balance as at 31 March 2018**
Deferred tax liabilities				
Accelerated depreciation for tax purposes	74.52	(42.10)	-	116.62
Others	0.01	-	-	0.01
	74.53	**(42.10)**	**-**	**116.63**
Deferred tax assets				
Unabsorbed depreciation and brought forward business losses	-	(22.70)	-	22.70
Allowed only on payment basis	4.13	(4.82)	(0.16)	9.11
MAT credit entitlement	18.94	(2.01)	-	20.95
	23.07	**(29.53)**	**(0.16)**	**52.76**
Net deferred tax liabilities	**51.46**	**(12.57)**	**0.16**	**63.87**

		Year ended 31 March 2019		**Year ended 31 March 2018**
(i) Income tax expense reported in Statement of Profit and Loss comprises				
Current tax	2.83		2.01	
Less: MAT credit entitlement	(2.83)	-	(2.01)	-
Adjustment of tax relating to earlier periods		1.55		-
Deferred tax charge		0.93		14.58
Income tax expense reported in the Statement of Profit and Loss		2.48		14.58
(ii) Income tax credit reported in Statement of Other comprehensive income comprises				
Deferred tax credit on remeasurement losses on defined benefit obligations		(0.43)		(0.16)
Income tax credit reported in Statement of Other comprehensive income		(0.43)		(0.16)

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

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	13.10	6.46
Other comprehensive income	(1.38)	(0.52)
Total	11.72	5.94
Statutory income tax rate of 31.20% (31 March 2018: 31.20%)	3.66	1.85
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of change in tax rate	(3.23)	12.50
Tax effect of expenses that are not deductible for tax purposes	0.07	0.07
Adjustment of tax relating to earlier periods	1.55	-
	2.05	14.42

* Below rounding off norms

Note: Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) issued subsequent to the Balance Sheet date, the tax rates have changed with effect from 1 April 2019 at 25%. The companies have been given option to pay tax at new rates with certain conditions or to pay tax at old/ existing rates. ASPHL's management has not planned for opting the new tax rate of 25%. Further, if those changes were announced on or before reporting date and the Company had opted for the new tax rate, deferred tax liability would have been reduced by INR 13.29 crores and corresponding deferred tax charge would have reduced by equivalent amount.

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APEEJAY SURRENDRA PARK HOTELS LIMITED

	As at 31 March 2019	As at 31 March 2018
26 Borrowings - Current		
Intercorporate deposit (Unsecured)^	2.22	2.22
From banks		
Working capital loans* (Secured)	29.98	53.27
Working capital loans (Unsecured)	19.98	-
	52.18	**55.49**

* Borrowings i.e. working capital loans 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

Interest rates on Working capital loans are varying in the range of 9% to 11% p.a.

^ Intercorporate deposit is interest free and repayable on demand

	As at 31 March 2019	As at 31 March 2018
27 Trade Payables		
Dues to micro enterprises and small enterprises (refer note 39)	0.57	0.02
Dues to other than micro enterprises and small enterprises (including due to related parties 31 March 2019 INR 0.69 crores, 31 March 2018: INR 0.45 crores)	39.98	32.39
	40.55	**32.41**

(i) Trade payable (except MSME) are non-interest bearing and are normally settled within 90-120 days

(ii) Trade payable include due to related parties, refer note 43

	As at 31 March 2019	As at 31 March 2018
28 Other financial liabilities (current)		
Current maturities of long-term borrowings (refer note 21)	44.01	37.47
Interest accrued but not due	0.25	0.31
Book overdraft	0.65	0.62
Capital liabilities	3.71	2.97
Employee benefits payable	14.76	13.23
Financial guarantee obligation	0.01	0.05
Security deposits received	0.03	0.03
	63.42	**54.68**

	As at 31 March 2019	As at 31 March 2018
29 Provisions (Current)		
Provision for gratuity	2.52	1.57
Provision for compensated absences	3.77	3.36
Provision for entertainment tax	0.81	0.81
Provision for income tax (Net of advance tax 31 March 2019 Nil, 31 March 2018 INR 0.01 crores)	-	0.59
	7.10	**6.33**

	As at 31 March 2019	As at 31 March 2018
30 Other liabilities (Current)		
Statutory dues	9.89	7.30
Contract liabilities *	4.91	-
Advance from customers	-	4.58
Deferred Revenue	0.18	0.52
	14.98	**12.40**

* Contract liabilities are advances received from customers and are non-interest bearing.

Kolkata

APEEJAY SURRENDRA PARK HOTELS LIMITED

		Year ended 31 March 2019	Year ended 31 March 2018
31	**Revenue from Contracts with customers**		
	Room revenue	198 04	187 69
	Sale of food and beverage	91 33	82 94
	Sale of wine and liquor	87 13	69 12
	Other ancillary and allied service income	18 82	19 77
		395.32	**359.52**
	Other operating revenue		
	Management fees	5 51	4 38
	Accrued duty exemption entitlement and other benefits	2 32	0 85
	Income from government grant	10 69	13 08
	Liabilities no longer required written back	0 86	0 83
	Membership and subscription fees	1 29	1 12
		20.67	**20.26**
	Total revenue from contracts with customers	**415.99**	**379.78**
31 1	**Timing of revenue recognition**		
	Goods/service transferred at a point of time	217 95	
	Service transferred over time	198 04	
		415.99	

		As at 31 March 2019	As at 31 March 2018
31 2	**Contract balances**		
	Trade receivables*	25 91	26 73
	Contract liabilities	4 91	-
	Advance from customers	-	4 58

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days
Contract liabilities include advances from customers.
* Refer Note-12 for Contract assets

Movement of contract liabilities	Year ended 31 March 2019	Year ended 31 March 2018
Amounts included in contract liabilities at the beginning (restated) of the year	4.58	4.96
Amount received during the year	198 36	187.32
Performance obligation satisfied in current year from opening balance	(3 57)	(3.61)
Performance obligation satisfied in current year from amount received in current year	(194 46)	(184 09)
Amounts included in contract liabilities at the end of the year	**4.91**	**4.58**

31 3 **Performance obligation**

The performance obligation is satisfied and payment is due upon receipt of the service received by the customer. Transaction price allocated to performance obligation not satisfied or partially satisfied is INR 4 91 Crores (31 March 2018: INR 4 58 crores). The same is expected to be recognised in one year

		Year ended 31 March 2019	Year ended 31 March 2018
32	**Other income**		
	Interest on advances, deposits and tax refunds	5 68	1 59
	Commission	0 14	0 22
	Rental income	2.80	2.99
	Provision for doubtful debts no longer required written back	0 50	0 07
	Insurance claim	-	0 06
	Miscellaneous income	2 88	2 60
		12.00	**7.53**

APEEJAY SURENDRA PARK HOTELS LIMITED

(All amounts in INR Crores, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
33 Consumption of provisions, beverages, wine/liquor and smokes		
(a) Provisions, beverages (excluding wine and liquor) and smokes		
Inventory at the beginning of the year	1.50	1.44
Add: Purchases during the year	42.64	41.69
	44.14	43.13
Less: inventory at the end of the year	0.97	1.50
	43.17	**41.63**
(b) Wine and liquors		
Inventory at the beginning of the year	11.10	7.48
Add: Purchases during the year	22.70	21.67
	33.80	29.15
Less: Inventory at the end of the year	8.64	11.10
	25.16	**18.05**
Total Consumption (a+b)	**68.33**	**59.68**

	Year ended 31 March 2019	Year ended 31 March 2018
34 Employee benefits expense		
Salaries, wages and bonus	71.38	70.06
Contribution to provident and other funds	4.82	4.79
Gratuity	1.42	1.27
Staff welfare expenses	2.78	3.96
	80.40	**80.08**

	Year ended 31 March 2019	Year ended 31 March 2018
35 Finance costs		
Interest expenses on		
- Borrowings from banks	49.41	41.67
- others	0.12	0.06
	49.53	**41.73**

	Year ended 31 March 2019	Year ended 31 March 2018
36 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 3)	28.86	29.08
Amortisation of intangible assets (refer note 4)	0.91	0.85
	29.77	**29.93**

Apeejay Surendra Park Hotels Limited

(All amounts in INR Crores, unless otherwise stated)

37 Other expenses	Year ended 31 March 2019	Year ended 31 March 2018
Power and fuel	35 79	33 68
Rent	2 96	2 27
Rates and taxes	14 64	13 63
Insurance	2 62	2 90
Apartment expenses**	7 96	8 49
Outsourced contractual expenses	7 68	7 24
Guest supplies	4 86	5 23
Replacement of cutlery, crockery, glassware etc	1 20	1 22
Advertisement and sales promotion	7 24	6 56
Commission	20 68	15 99
Repair and maintenance		
Repairs to buildings	3 23	2 99
Repairs to machinery	5 10	5 37
Repairs to others	4 84	5 82
Printing and stationery	1 76	2 17
Postage, telephone and telex	2 16	2 16
Legal and professional charges	9 34	5 29
Security charges	2 58	4 62
Travelling and conveyance	10 05	9 55
Loss on disposal / sale of tangible assets	1 56	1 19
Bad debts / Advances written off	0 09	0 49
Provision for doubtful debts and advances	1 98	1 37
Net loss on foreign currency transactions	3 44	0 29
Royalty and management service fees	12 17	11 06
Strategic Advisory and Consultancy Fees	7 83	7 74
Fair value loss on financial assets (investments) at FVTPL	-	*
Payments to auditors [refer note 37 (i) below]	0 45	0.55
Miscellaneous expenses	14 65	11 56
	186.86	**169.43**

** 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

37 (i) Details of payment to auditors

Payment to auditors	Year ended 31 March 2019	Year ended 31 March 2018
As auditors		
- Audit fee for standalone financial statements	0.31	0 31
- Consolidated financial statements	0 03	0 03
- Limited Review of Standalone Financial Statements	-	0 10
In other capacities		
- Out of pocket expenses	0 04	0 03
- Service tax/GST	0 07	0 08
	0.45	**0.55**

* Below rounding off norms

(All amounts in INR Crores, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
38	**Computation of Earnings per Equity Share**		
(a)	(i) Number of Equity Shares at the beginning of the year	1,74,66,176	1,88,82,353
	(ii) Number of Equity Shares at the end of the year	1,74,66,176	1,74,66,176
	(iii) Weighted average number of Equity Shares outstanding during the year	1,74,66,176	1,84,69,301
	(iv) Face Value of each Equity Share INR	10	10
(b)	Profit/(Loss) after tax	10.62	(8.12)
(c)	Basic and Diluted Earnings/(Loss) per Share [(b)/(a)(iii)] - INR	6.08	(4.40)

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

		As at 31 March 2019	As at 31 March 2018
(a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal	0.57	0.02
	Interest	0.03	0.01
(b)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	Principal	-	-
	Interest	-	-
(c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	0.01
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(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	0.04	0.01

	As at 31 March 2019	As at 31 March 2018
40 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	0.30	0.25
Demand for Entertainment Tax	0.81	0.81
Demand for Service Tax	5.66	3.13
Demand for Property Tax (refer ' f ' below)	69.38	59.49
(b) Guarantees		
Bank Guarantees Given to Customs and Other Authorities	1.28	1.28
Corporate Guarantee given by the Company to subsidiary	0.38	0.84

(c) 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.

(d) Property Tax demand by New Delhi Municipal Council (NDMC) for earlier year was inter alia contested by the Company before the Hon'ble High Court of Delhi. The Hon'ble High Court had quashed the impugned Order of NDMC and set aside with a direction to NDMC for fresh assessment. During the year Hon'ble Supreme Court of India vide order dated 22 January 2019 in respect to appeal filed by the NDMC has upheld the decision of the Hon'ble High Court. Based on above, management believes that there will be no adverse impact on the Company in this regard.

(e) The Company had received a demand during the year 2012-13 amounting to INR 5.41 Crores (31 March 2018 INR 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 appropriate 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 which is supported by a legal opinion obtained by the Company. Management believes that, the alleged demand is questionable, arbitrary and not tenable and is likely to be settled in favour of the Company. Accordingly, no provision in this regard has been 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.

(f) Subsequent to the Company's acquisition of a parcel of land from the Kolkata Municipal Corporation (KMC) through a bidding process, the initially proposed annual valuation for determination of property tax was reduced by the relevant Hearing Officer of KMC based on representation made by the Company. Thereafter, the Municipal Commissioner of KMC (MC) had cancelled such lower annual valuation and reinstated the initially proposed annual valuation which was determined based on bid price paid by the Company. The Company had challenged the said order of the MC before the Hon'ble High Court at Calcutta. The Hon'ble High Court had vide order dated 13th October, 2015 set aside the decision of the Municipal Commissioner of KMC on grounds that relevant procedures as prescribed under the Kolkata Municipal Corporation Act 1980 have not been followed for such higher valuation. Notwithstanding the said order, the Kolkata Municipal Corporation had continued to raise property tax demands based on such higher valuation. Aggrieved by such demand, the Company had filed a petition before the same High Court under the provisions of Article 226 of the Constitution of India again challenging the unilateral order passed by the MC on various grounds including annual valuation of comparable land parcels in the immediate vicinity that are much lower than the valuation as per the order of the MC. The Hon'ble High Court at Calcutta had found a strong prima facie case to pass an interim order to stay the aforesaid order of the MC till further orders and had directed the Company to continue to pay property tax based on the order of the Hearing Officer, as aforesaid which will be adjusted against new bills, if any. The Company has been complying with the said order and charging off property tax so paid.

Notwithstanding the aforesaid order, the KMC has continued to raise property tax demands in accordance with the order of the MC. Such additional demand raised on the Company aggregates INR 69.38 crores (31 March 2018 - INR 59.49 crores). Management believes that it is probable that the matter will be decided in favour of the Company which is supported by a legal opinion obtained. Consequently, no further provision has been considered necessary in these financial statements in this regard.

(g) Pending necessary clarification, the Company has complied with the order of the Hon'ble Supreme Court of India regarding applicability of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 to certain fixed elements of remuneration paid/payable to employees with effect from the date of such order, i.e. 28 February 2019. Any additional provision in respect of earlier periods will be recognised as and when further clarifications will be available.

	As at 31 March 2019	As at 31 March 2018
41 Commitments		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	31.99	11.24
(b) Other Commitments		
Estimated amount of export obligation	215.19	216.93
(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)		

Kolkata

APEEJAY SURRENDRA PARK HOTELS LIMITED

(All amounts in INR Crores, unless otherwise stated)

		Year ended 31 March 2019	Year ended 31 March 2018
42	**Employee Benefits**		
(a)	**Post employment benefit - defined contribution plan**		
	Amount recognised in the Statement of Profit and Loss contribution towards Provident Fund and other funds	4.82	4.79

(b) Leave Obligations - defined benefit plan

The Company has a scheme of 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 determined on the basis of actuarial valuation using Projected Unit Credit Method of unutilized on leave entitlements on balance sheet date. The scheme is unfunded.

(c) Gratuity - defined benefit plan

The Company has a post employment defined benefit scheme in the form of gratuity. Under the scheme, employees are entitled to gratuity benefits based on fifteen days salary (basic plus dearness allowance) for each completed year of service. The aforesaid benefit accrues on completion of five years of service. The Company's obligation towards such gratuity benefits are determined on the basis of actuarial valuation using Projected Unit Credit method of the Company's year end obligation under the scheme. Difference between the Company's obligation so determined and year end value of the assets of the related gratuity fund is recognised as charge for the year.

The trustees of the Gratuity Fund has entrusted the administration of the fund to HDFC Standard Life Insurance Co. Ltd.

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company for the year ended 31 March, 2019 and 31 March 2018:

		Present value of obligation	Fair value of plan assets	Net Amount
(I)	**Obligation as at 1 April 2017**	8.15	4.06	4.09
	Current Service cost	0.87	-	0.87
	Interest cost/Income	0.71	0.31	0.40
	Total amount recognised in Statement of Profit and Loss	**1.58**	**0.31**	**1.27**
	Remeasurements (gains)/losses recognised in Other comprehensive income			
	- Change in Financial assumptions	(0.13)	-	(0.13)
	- Experience Variance (i.e. Actual Experience vs assumptions)	0.55	-	0.55
	- Return on plan asset, Excluding amount recognised in net interest expense	-	(0.10)	0.10
	Total amount recognised in Other comprehensive income	**0.42**	**(0.10)**	**0.52**
	Benefits paid	(0.82)	(0.82)	-
	Obligation as at 31 March 2018	9.33	3.45	5.88
(II)	**Obligation as at 1 April 2018**	9.33	3.45	5.88
	Current Service cost	1.02	-	1.02
	Interest cost/Income	0.67	0.27	0.40
	Total amount recognised in Statement of Profit and Loss	1.69	0.27	1.42
	Remeasurements (gains)/losses recognised in Other comprehensive income			
	- Experience Variance (i.e. Actual Experience vs assumptions)	1.38	-	1.38
	Total amount recognised in Other comprehensive income	1.38	-	1.38
	Contributions by employer	-	1.02	(1.02)
	Benefits paid	(1.32)	(1.32)	-
	Obligation as at 31 March 2019	11.08	3.42	7.66

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

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

	As at 31 March 2019	As at 31 March 2018
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	11.08	9.33
Fair value of plan assets at the end of the year	3.42	3.45
Net liability recognised in the Balance Sheet	7.66	5.88

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(IV) Principal Actuarial Assumption Used:

	As at 31 March 2019	As at 31 March 2018
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%

(VI) Category of Plan Assets

Fund with HDFC Standard Life	3.42	3.45

The contribution expected to be made by the Company for the year ending 31 March 2020 is INR 8.90 crores.

Maturity Profile of Defined Benefit Obligation

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 2019					
Defined benefit obligation	3.39	3.33	3.49	10.75	20.96
As at 31 March 2018					
Defined benefit obligation	2.86	2.51	3.72	10.04	19.13

(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 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	10.33	10.99	9.03	9.64
% Change Compared to base due to sensitivity	-2.40%	2.61%	-2.66%	2.90%
Salary Growth Rate (-/+ 0.5%)	10.99	10.32	9.65	9.02
% Change Compared to base due to sensitivity	2.65%	-2.46%	2.94%	-2.73%
Attrition Rate(-/+ 10%)	10.65	10.65	9.32	9.32
% Change Compared to base due to sensitivity	0.01%	-0.01%	-0.18%	0.18%
Mortality Rate(-/+ 10%)	10.65	10.64	9.33	9.32
% Change Compared to base due to sensitivity	0.03%	-0.03%	0.03%	-0.03%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied 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 associates with plan provisions

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 sufficient 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 pay-outs e.g. Increase in the maximum limit on gratuity of INR 20,00,000 and upward revision of maximum gratuity limit will result in gratuity plan obligation.

(All amounts in INR Crores, unless otherwise stated)

43 Related Party Disclosures

Related party disclosures pursuant to Ind AS 24

(i) **Related Parties**

(a) **Subsidiary (Control relationship exists)**
Apeejay Charter Private Limited
Apeejay Hotels & Restaurants Private Limited

(b) **Joint Venture**
Apeejay Hotels (Panama) Inc (Upto 27 March 2019)

(c) **Key Management Personnel**

Name	Relationship
Mr Vijay Dewan	Managing Director
Ms Priya Paul	Non-executive Director
Mr Karan Paul	Non-executive Director
Mr Atul Khosla	Chief Financial Officer (CFO)
Mr. Francis H Dyckman	Non-executive Director (Upto 27 December 2017)
Mr Ashoke Ghosh	Non-executive Director
Mr Ashok Narain Mathur	Non-executive Director (Upto 12 March 2018)
Mr Debanjan Mandal	Non-executive Director
Mr Suresh Kumar	Independent Director
Ms Shalini Keshan	Company Secretary

(d) **Other**

Name	Relationship
Flurys Swiss Confectionary Private Limited	Investing Party in respect of which the Company is an Associate

(ii) **Particulars of transactions with related parties**

	Year ended 31 March 2019	Year ended 31 March 2018
A) Subsidiary Company		
Apeejay Charter Private Limited		
- Hiring Charges	0.01	0.05
B) Investing Party in respect of which the Company is an Associate		
Flurys Swiss Confectionary Private Limited		
- Purchase of Confectionery etc	0.51	0.66
- Sale of Services	0.02	0.02
- Royalty	*	0.01
- Recovery of Expenses	0.09	0.09
- Reimbursement of Expenses	0.06	0.12
C) Subsidiary Company		
Apeejay Hotels & Restaurants Private Limited		
- Loan given	2.00	0.05
- Investment	-	0.01
D) Key management personnel of the Company		
- Managerial Remuneration		
Vijay Dewan		
Director's Remuneration		
Short-term employment benefits	3.86	3.06
Post-employment benefits	0.12	0.13
Atul Khosla		
Short-term employment benefits	1.75	1.17
Post-employment benefits	0.15	0.13
Shalini Keshan		
Short-term employment benefits	0.16	0.16
Post-employment benefits	0.04	0.04
- Sitting Fees		
Ms. Priya Paul	*	*
Mr. Karan Paul	*	*
Mr Francis H Dyckman	-	*
Mr. Ashoke Ghosh	*	*
Mr Suresh Kumar	*	-
Mr. Ashok Narain Mathur	-	*
Mr Debanjan Mandal	*	*

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

	As at 31 March 2019	As at 31 March 2018
A) Subsidiary Company		
- Apeejay Charter Private Limited		
Corporate Guarantee	*	0.84
Investments	0.01	0.01
- Apeejay Hotels & Restaurants Private Limited		
Loan Given	2.00	-
Investments	0.01	0.01
Corporate Guarantee	0.38	-
B) Investing Party in respect of which the Company is an Associate		
- Flurys Swiss Confectionary Private Limited		
Trade Receivables	*	0.01
Advances	0.04	0.04
Trade Payables	0.69	0.45
C) Joint Venture (Upto 27 March 2019)		
- Apeejay Tea (Panama) Inc	-	-

* Below rounding off norms

44 **Lease Commitments**

Operating Lease Commitments

Company as a lessee

(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. 2.96 Crores (31 March 2018 - Rs. 2.27 Crores) has been debited to the Statement of Profit and Loss

Company as a lessor

(b.1) The Company has given 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 to compensate for inflation, option for renewals etc. Lease income (rental and service charges) aggregating Rs 2.09 Crores (31 March 2018 - Rs. 2.09 Crores) has been recognized in the Statement of Profit and Loss in keeping with lease arrangements

(b.2) The Company has given 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 to compensate for inflation, option for renewals etc. Lease income (rental charges) aggregating Rs. 0.18 Crores (31 March 2018 - Rs. 0.18 Crores) has been recognized in the Statement of Profit and Loss in keeping with lease arrangements

(b.3) The Company has entered into cancellable operating leases wherein some area of the properties have been leased for shops, towers, etc. Tenure of such leases is generally one year with an option for renewal. Lease income aggregating Rs. 0.53 Crores (31 March 2018 - Rs. 0.72 Crores) has been recognized in the Statement of Profit and Loss in keeping with lease arrangements

45 The Company is mainly engaged in the single segment business of hoteliering in India. Hence, no separate geographical disaggregation done

46 CSR Expenditure

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Gross amount required to be spent by the Company during the year	0.08	0.02
(b) Amount spent in Cash during the year on		
Promoting art and artists	0.26	0.24

47 **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 including periodic capital projects undertaken for the company's existing projects. The Company monitors capital on the basis of cost of capital. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents

The following table summaries the capital of the Company

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Non-current Borrowing (including current maturities)	432.83	421.29
Current Borrowing	52.18	55.49
Less: Cash and cash equivalents	(3.69)	(7.75)
TOTAL BORROWING (NET)	**481.32**	**469.03**
Total equity	588.20	578.53
TOTAL CAPITAL (EQUITY+ NET DEBT)	**1,069.52**	**1,047.56**
Gearing ratio	45.00%	44.77%

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018

48 Fair Value Measurements

(i) Financial Instruments by category

	As at 31 March 2019			As at 31 March 2018		
	FVTPL*	Amortised Cost	Total	FVTPL*	Amortised Cost	Total
Financial Assets						
Investments						
- Equity Instruments	0.02	0.02	0.04	0.03	0.02	0.05
Trade receivables	-	25.91	25.91	-	26.73	26.73
Loans	-	23.81	23.81	-	0.22	0.22
Cash and cash equivalent	-	3.69	3.69	-	7.75	7.75
Other bank balances	-	0.18	0.18	-	0.17	0.17
Security deposits	-	5.87	5.87	-	6.54	6.54
Other financial assets	-	13.68	13.68	-	13.10	13.10
Total	0.02	73.16	73.18	0.03	54.53	54.56
Financial Liabilities						
Borrowings	-	441.00	441.00	-	439.31	439.31
Current maturities of long-term debt	-	44.01	44.01	-	37.47	37.47
Interest accrued but not due	-	0.25	0.25	-	0.31	0.31
Trade payables	-	40.55	40.55	-	32.41	32.41
Other financial liabilities	-	19.19	19.19	-	16.93	16.93
Total	-	545.00	545.00	-	526.43	526.43

There are no financial assets or financial liabilities routed through FVOCI

* Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss

(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

The management assessed that fair values of investments, trade receivables, loans, cash and cash equivalents, other bank balances, security deposits, other financial assets, borrowings (including current maturities of long term debt), interest accrued but not due, trade payables and other financial liabilities, 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 differance 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

	As at 31 March 2019			As at 31 March 2018		
	Level 1	Level 3	Total	Level 1	Level 3	Total
Financial Assets						
Investments						
- Equity Instruments	-	0.02	0.02	-	0.03	0.03
Total	-	0.02	0.02	-	0.03	0.03

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

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

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

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1, level 2 or level 3 fair value measurements during the year ended 31 March 2019 and 31 March 2018

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

Valuation inputs and relationship to fair value and Valuation process :

As per the Company policies, whenever any investment is made by the Company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.
Valuation technique used to determine fair value include:

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 INR 0.02 Crores (31 March 2018 - INR 0.03 Crores) are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments

Other investments are not material in nature

All amounts in INR Crores, unless otherwise stated

49 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 allowance for credit impaired – Trade receivables

Particulars	Year ended	
	31 March 2019	31 March 2018
Loss allowance at the beginning of the year	6.44	5.60
Change in allowance during the year	1.58	0.84
Loss allowance at the end of the year	8.02	6.44

(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 represented below does not include contractual interest payments.

Contractual maturity of financial liability	Upto 1 year	1 year to 5 year	More than 5 years	Total
31 March 2019				
Borrowings (including current maturities)	139.99	333.32	222.55	695.86
Trade payable	40.55	-	-	40.55
Other financial liabilities	19.41	0.03	-	19.44
	199.95	**333.35**	**222.55**	**755.85**
31 March 2018				
Borrowings (including current maturities)	133.26	333.05	224.57	690.88
Trade payable	32.41	-	-	32.41
Other financial liabilities	17.21	0.03	-	17.24
	182.88	**333.08**	**224.57**	**740.53**

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Apeejay Surrendra Park Hotels Limited

All amounts in INR 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.

(a) Foreign currency risk exposure

	INR Equivalent of USD	
	As at 31 March 2019	**As at 31 March 2018**
Foreign currency loan payable	57.49	75.69
Net Exposure to Foreign Currency Risk	**57.49**	**75.69**

(b) Sensitivity

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit before tax for the year ended 31 March 2019 and 31 March 2018.

	Impact on profit before tax	
	Year ended 31 March 2019	**Year ended 31 March 2018**
USD Sensitivity		
INR/USD - Increase by 5% *	(2.87)	(3.78)
INR/USD - Decrease by 5% *	2.87	3.78

(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.

(a) Interest rate risk exposure

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

	As at 31 March 2019	**As at 31 March 2018**
Total borrowings (including current maturities)		
Variable rate borrowings	470.06	472.00
Fixed rate borrowings	14.95	4.78
	485.01	**476.78**

As at the end of the reporting period, the Company had the following variable rate borrowings:

	As at	
	31 March 2019	**31 March 2018**
Variable rate borrowings	470.06	472.00
Net exposure to cash flow interest rate risk	**470.06**	**472.00**

(b) Sensitivity

	Impact on profit before tax	
	Year ended 31 March 2019	**Year ended 31 March 2018**
USD Sensitivity		
Interest Rates - Increase by 50 basis points (50 bps) *	(2.35)	(2.36)
Interest Rates - Decrease by 50 basis points (50 bps) *	2.35	2.36

* Holding all other variable constant

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All amounts in INR Crores, unless otherwise stated

50 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 are as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Current assets		
Inventories	13.69	16.88
Other assets	87.34	61.47
Total current assets pledged as security (A)	**101.03**	**78.35**
Non-current assets		
Property, plant and equipment	495.88	504.00
Capital Work-in-progress	8.29	2.15
Intangible assets	1.67	1.45
Total non-currents assets pledged as security (B)	**505.84**	**507.60**
Total assets pledged as security (A+B)	**606.87**	**585.95**

51 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.

The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind-AS which the Company has not early adopted. These are as follows:

(i) Ind AS 116 Leases

Lease 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.

The Company intends to adopt these standards from 1 April 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its standalone financial statements.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date.

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(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:
Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).
The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.
The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019.

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company and are not likely to have an impact on the standalone financial statements.

(v) Amendments to Ind AS 12: Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Such amendments are not applicable to the Company and hence does not have any effect on its standalone financial statements.

(vi) Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

52 Previous year's figures are rearranged/regrouped to conform to current year's classification, wherever considered necessary.

As per our report of even date

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

per Bhaswar Sarkar
Partner
Membership No. 55596

For and on behalf of the Board of Directors of Apeejay Surendra Park Hotels Limited

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: 30 SEPTEMBER 2019

Place of Signature: Kolkata
Date: 30 SEPTEMBER 2019

APEEJAY SURRENDRA PARK HOTELS LIMITED