

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF APEEJAY HOTELS& RESTAURANTS PRIVATE LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying Financial Statements of **APEEJAY HOTELS& RESTAURANTS PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and the Losses, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's



Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Material uncertainty relating to Going Concern

We draw attention to Note 42 to the Financial Statement, which indicates that the Company has incurred a net loss of Rs. 63.79 lakh during the period ended on 31 March, 2021 (net profit of Rs. 66.93 lakh during the period ended on 31 March, 2020) and the accumulated loss as at 31st March 2021 amounting to Rs. 10.31 lakh (accumulated profit as at 31st March 2020 Rs. 52.79 lakh) have fully eroded the net worth of the Company and the Company's current liabilities exceeded its current assets by Rs. 464.60 lakh as at 31st March 2021 (as at 31st March 2020 Rs. 383.67 lakh). These conditions indicate that a material uncertainty exists that may cast a significant doubt on the entity's ability to continue as a going concern and, therefore, that it may not be able to realize its assets and discharge its liabilities in the normal course of business. However the Financial Statement of the Company has been prepared on a going concern basis for the reason stated in the said note.

Our opinion is not modified in respect of this matter.

Emphasis of Matter regarding COVID-19

We draw attention to Note 43 in the standalone Ind AS financial statements which indicates the impact of COVID-19 on the business operations of the Company from the month of March 2020 onwards and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters as set forth in Note 43, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going-concern.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we do not have observed any key audit matters required to be reported separately.



Other Matters

The continuous spreading of COVID -19 across India has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management of the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

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

Auditor's Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial 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 the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit, 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 appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the AS specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:



- i. The Company does not have any pending litigation which would impact its Financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts if applicable, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. 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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **B M CHATRATH & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 301011E/E300025



S. K. Basu

Partner

Membership No: 054484

UDIN: 21054484AAAAME5951

Place: Kolkata

Date: 20.09.2021



Annexure – A to the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED of even date)

Report on the Internal Financial Controls over financial reporting 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 HOTELS & RESTAURANTS PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Company's internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For **B M CHATRATH & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 301011E/E300025



S. K. Basu

Partner

Membership No: 054484

UDIN: 21054484AAAAME5957

Place: Kolkata

Date: 20.09.2021



Annexure – B to the Independent Auditor's Report:

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED of even date)

- i. In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any Immovable Asset in its Name accordingly clause 3(c) of paragraph 1 of the order is not applicable.
- ii. The management of the Company has conducted physical verification of inventories at reasonable intervals during the period and no material discrepancies have been noticed during such verification.
- iii. The Company has not granted any loan secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The company has neither given any loan nor made any investment during the year, therefore provisions of section 185 and 186 of the Act regarding thereto are not applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the Clause 3 (v) of the Order are not applicable to the Company.
- vi. The provisions of maintenance of cost records under sub section (1) of Section 148 of the Act are not applicable to Company for the financial year 2020-21. Accordingly, Clause (vi) of Order is not applicable.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, TDS, GST, Income Tax, Duty of Customs, Cess and any other statutory dues have been regularly deposited during the year ended 31st March 2021 by the Company with the appropriate authorities.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, GST and Custom Duty were outstanding for a period of more than six (6) months from the date they became payable.
- viii. The Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions, government nor issued any debenture during the year.



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of Order is not applicable.
- x. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for any managerial remuneration. Accordingly, Clause (xi) of Order is not applicable.
- xii. The Company is not a Nidhi Company in terms of section 406 of the Companies Act, 2013. Accordingly, Clause (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of The Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B M CHATRATH & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 301011E/E300025



S. K. Basu

Partner

Membership No: 054484

UDIN: 21054484AAAAME5957

Place: Kolkata

Date: 20.09.2021



APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	Amount in Rs	
		As at 31 March, 2021	As at 31 March, 2020
I. ASSETS			
1. Non-current assets			
(a) Property, Plant & Equipment	2	442,94,796	390,33,116
(b) Intangible assets	3	13,84,059	18,75,502
(c) Right to use asset	3A	565,41,558	638,37,243
(d) Non current tax assets	4	36,35,606	10,56,556
(e) Deferred tax assets (net)	5	51,16,001	16,27,648
		1109,72,021	1074,30,065
2. Current assets			
(a) Inventories	6	35,58,106	36,33,344
(b) Financial assets			
(i) Trade receivables	7	78,08,512	88,75,056
(ii) Cash and cash equivalents	8	325,55,910	413,01,630
(iii) Loans	9	1,02,000	1,69,000
(iv) Other financial assets	10	-	-
(c) Other current assets	11	112,68,437	30,32,657
		552,92,965	570,11,687
Total Assets		1662,64,986	1644,41,752
II. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	12	1,00,000	1,00,000
(b) Other equity	13	(10,30,930)	52,79,149
Total equity		(9,30,930)	53,79,149
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	14	622,85,905	602,02,329
(ii) Borrowings	15	15,81,947	23,35,205
(b) Provisions	16	15,75,203	11,46,656
		654,43,055	636,84,190
Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	18	41,45,347	100,00,000
(ii) Borrowings		240,46,930	339,50,022
(iii) Trade payables	19	1,47,926	6,59,877
Total outstanding dues of micro enterprises and small enterprises	19	580,74,432	407,35,880
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	51,14,652	43,02,605
(iv) Other financial liabilities	21	22,47,069	18,24,646
(b) Provisions	22	79,76,505	39,05,383
(c) Other current liabilities			
Total Liabilities		1017,52,862	953,78,413
Total Equity and Liabilities		1671,95,916	1590,62,603
Corporate information & summary of significant accounting policies		1662,64,986	1644,41,752
The accompanying notes are an integral part of the financial statements.	1 2-42		

As per our report of even date
For **B M CHATRATH & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 301011E/E300025

S.K. Basu
Partner
Membership No. : 054484
Kolkata
Date: 20.09.2021



For and on behalf of Board of Directors of
Apeejay Hotels & Restaurants Pvt. Ltd.

Vijay Dewan
Director
(DIN: 00051164)

Atul Khosla
Director
(DIN: 01009784)

APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

Amount in Rs

Particulars	Note No.	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
I. INCOME			
Revenue from contracts with customers	23	848,90,082	1543,95,561
Other income	24	36,616	65,136
Total Income		849,26,698	1544,60,697
II. EXPENSES			
Consumption of provision, beverages, wine/liquor and smokes	25	73,66,907	165,34,089
Employee benefits expenses	26	139,72,314	194,71,668
Finance costs	27	95,09,001	98,14,941
Depreciation and amortisation expense	28	134,40,491	129,28,569
Other expenses	29	505,30,123	884,00,055
Total Expenses		948,18,836	1471,49,322
III. Profit before tax		(98,92,138)	73,11,375
IV. Tax expense / (credit)			
Current Tax		-	(13,56,100)
Deferred Tax Charge	5	35,12,717	7,37,226
V. Profit for the period		(63,79,421)	66,92,501
VI. Other Comprehensive Income / (Loss)			
- Remeasurement of defined benefit obligations		93,706	(20,572)
- Income tax effect on above	5	(24,364)	5,349
VII. Total Comprehensive Income / (Loss) for the year		(63,10,079)	66,77,278
-Earning Per Share (Basic)	30	(637.94)	669.25
-Earning Per Share (Diluted)		(637.94)	669.25
Corporate information & summary of significant accounting policies	1		
The accompanying notes are an integral part of the financial statements.	2-43		

As per our report of even date
For B M CHATRATH & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 301011E/E300025

S.K. Basu
Partner
Membership No. : 054484
Kolkata,
Date: 20.09.2021



For and on behalf of Board of Directors of Apeejay
Hotels & Restaurants Pvt. Ltd.

Vijay Dewan

Vijay Dewan
Director
(DIN: 00051164)

Atul Khosla

Atul Khosla
Director
(DIN: 01009784)

APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED
Statement of Changes in Equity for Period ended 31 March 2021

a. Equity share capital

			Amount in Rs	
	Note reference	Balance as on 1 April 2020	Increase / (Decrease) in equity share capital during the period	Balance as on 31 March 2021
Equity Share Capital	12	1,00,000.00	-	1,00,000.00

b. Other equity

		Amount in Rs
	Note reference	Reserves and Surplus
Balance as at 1 April 2020		
Profit for the period	13	52,79,148
Remeasurement losses of defined benefit obligations		(63,79,421)
Balance as on March 31, 2021	13	69,342
		(10,30,930)

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

As per our report of even date
 For B M CHATRATH & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 301011E/E300025

For and on behalf of Board of Directors of Apeejay Hotels & Restaurants Pvt. Ltd.

S.K. Basu
 Partner
 Membership No. : 054484
 Kolkata
 Date: 20.09.2021



Vijay Dewan

Vijay Dewan
 Director
 (DIN: 00051164)

Atul Khosla

Atul Khosla
 Director
 (DIN: 01009784)

APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED		
STATEMENT OF CASH FLOWS FOR PERIOD ENDED MARCH 31, 2021		
	Amount in Rs	Amount in Rs
Particulars	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(98,92,138)	73,11,375
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	134,40,491	129,28,569
Finance costs	95,09,001	98,14,941
Changes in working capital:	130,57,354	300,54,885
(Increase) in trade receivables	10,66,544	(46,53,160)
(Increase) in loans	67,000	(69,000)
(Increase) in inventories	75,238	(7,82,955)
(Increase)/Decrease in other current & non current assets	(82,35,780)	5,04,446
Increase in trade and other payables	168,26,601	197,35,444
Increase in provisions	9,44,676	17,58,456
Increase in Financial Liabilities	7,46,107	34,36,736
(Decrease) in Other liabilities	40,71,123	(37,52,960)
	155,61,509	161,77,007
Income tax paid	(25,79,050)	(22,52,815)
Net cash flows generated from operating activities (A)	260,39,812	439,79,077
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment / Intangible assets	(109,15,043)	(75,67,272)
Net cash used in investing activities (B)	(109,15,043)	(75,67,272)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	(6,87,318)	(6,29,828)
Repayment of non-current borrowings	(99,03,092)	140,29,725
Proceeds from current borrowings (net)	(100,00,000)	(75,00,000)
Payment of lease liabilities	(32,80,078)	(32,45,539)
Finance costs paid		
Net cash used in financing activities (C)	(238,70,489)	26,54,358
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCE (A+B+C)	(87,45,720)	390,66,163
Add: Cash and equivalent at the beginning of the Period	413,01,630	22,35,467
Cash and equivalent at the end of the Period	325,55,910	413,01,630
Cash and cash equivalent as per above comprises of (Refer note 8)		
Cash on hand	3,53,152	12,29,613
Foreign Currency in hand	48,570	45,598
Balances with Banks - In current accounts	321,54,188	400,26,419
	325,55,910	413,01,630
The accompanying notes are an integral part of these interim financial statements		
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow"		
<p>As per our report of even date For B M CHATRATH & CO LLP Chartered Accountants ICAI Firm Registration Number: 301011E/E300025</p> <p>For and on behalf of Board of Directors of Apeejay Hotels & Restaurants Pvt. Ltd.</p> <p>S.K. Basu Partner Membership No. : 054484 Kolkata, Date: 20.09.2021</p> <p>Vijay Dewan Director (DIN: 00051164)</p> <p>Atul Khosla Director (DIN: 01009784)</p>		

APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021

1 Corporate information

Apeejay Hotels & Restaurants Private Limited (the 'Company') is a private Limited company domiciled in India and is incorporated in India under the provisions of the Companies Act, 2013 (the Act). Its shares are not listed on any stock exchanges. The registered office of the Company is located at 17, Park Street, Kolkata, West Bengal, India, 700016.

The Company is primarily engaged in the business of owning, operating and managing hotels.

2 Basis of preparation of financial statements

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

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

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

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

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

2.1 Summary of significant accounting policies

(a) Current versus Non-current Classification

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

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

All other assets are classified as non-current.

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

A liability is current when:

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

The Company classified all other liabilities as non-current.

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

(b) Revenue Recognition

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

(i) Revenue from sale of services:

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

(ii) Interest Income:

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

(c) Foreign currencies

(i) Functional and Presentation Currency

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

(ii) Transactions and balances

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

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

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



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

(d) Taxes

(i) Current income tax

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

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

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

(ii) Deferred tax

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

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

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

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

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

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

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

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

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

(e) Property, Plant and Equipment

Recognition and initial measurement:

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

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

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

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

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

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

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



General	10	8
Used in business of running them on hire	6	8
Computers :		
Servers and networks	6	3
Desktops & Laptops	3	6
Kitchen Equipment	6	6
Crockery & Cutlery	3	3

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

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

(f) Intangible Assets

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

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

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

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

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

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

Amortisation method

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

(g) Impairment of non-financial assets:

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

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

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

Impairment losses are recognised in Statement of Profit and Loss.

(h) Investment in Subsidiaries and Joint Venture

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

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

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

The Company's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date.

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



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

- **Initial recognition and measurement :**

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

- **Subsequent measurement :**

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

Debt instruments at amortised cost

Debt instruments at fair value through other comprehensive income (FVTOCI)

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

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

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

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

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

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

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

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

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

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

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

- **Impairment of financial assets**

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

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

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

Lease receivables under Ind AS 17.

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

Loan commitments which are not measured as at FVTPL

Financial guarantee contracts which are not measured as at FVTPL.

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

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

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



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

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

Derecognition of financial assets

A financial asset is derecognised when

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

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

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

(j) Fair value Measurement

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

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

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

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

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

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

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

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

(k) Inventories :

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

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



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

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

(l) Derivative Instruments :

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

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

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

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

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

(m) Cash and cash equivalents :

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

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

(n) Financial Liabilities :

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

De-recognition of financial liabilities

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

(o) Borrowing Costs :

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

(p) Retirement and other employee benefits :

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

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

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



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

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

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

(q) Provisions and Contingent Liabilities :

Provisions:

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

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

Contingent liability is disclosed for:

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

(r) Earnings Per Share :

Basic earnings per share

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

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

(s) Leases :

Ind AS 116 requires the Company to assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-to-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of guest houses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment like printers taken on lease etc., that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company has given adjustments for lease accounting in accordance with Ind AS 116 which came into effect on 1 April 2019.

Company as a lessor



Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Prior to Ind AS 116, 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 charged recognized in finance cost in the statement of profit & loss, unless they are directly attributable to qualifying assets in which 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.

i) IND AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

(t) Government grants

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

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

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

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

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

Significant management judgements

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

Employee Benefits(Estimation of defined benefit obligation)

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

Impairment of trade receivables

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

Estimation of expected useful lives and residual values of property, plants and equipment

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



Contingent Liabilities

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

Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions.

2.2 Rounding of amounts

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

For B M CHATRATH & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 301011E/E300025

S.K. Basu

Partner

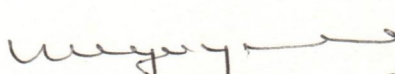
Membership No. : 054484

Kolkata

Date: 20.09.2021



For and on behalf of Board of Directors of Apeejay Hotels & Restaurants Pvt. Ltd.


Vijay Dewan
Director
(DIN: 00051164)


Atul Khosla
Director
(DIN: 01009784)

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Electrical Installation	Kitchen Equipment	Computer	Furniture and fixtures	Vehicles	Total
Gross Block							
Balance as at 31 March 2019	22,10,623	40,19,361	85,57,838	24,50,168	1,59,28,984	43,26,736	3,74,93,710
Additions during the period	72,000	29,40,171	15,95,471	52,600	28,67,309	-	75,27,551
Disposals during the period	-	-	-	-	-	-	-
Balance as at 31 March, 2020	22,82,623	69,59,532	1,01,53,309	25,02,768	1,87,96,292	43,26,736	4,50,21,260
Additions during the period	21,79,649	50,57,249	16,45,770	-	20,32,376	-	1,09,15,044
Disposals during the period	-	-	-	-	-	-	-
Balance as at 31 March, 2021	44,62,272	1,20,16,782	1,17,99,079	25,02,768	2,08,28,668	43,26,736	5,59,36,304
Accumulated Depreciation							
Balance as at 31 March 2019	18,170	40,223	5,07,189	91,377	98,956	87,424	8,43,339
Depreciation charge during the period	1,14,435	2,26,699	27,06,959	4,11,589	11,42,800	5,42,324	51,44,806
Disposals during the period	-	-	-	-	-	-	-
Balance as at 31 March, 2020	1,32,605	2,66,922	32,14,148	5,02,966	12,41,756	6,29,748	59,88,145
Depreciation charge during the period	1,48,298	3,89,277	28,80,020	4,17,128	12,77,798	5,40,842	56,53,363
Disposals during the period	-	-	-	-	-	-	-
Balance as at 31 March, 2021	2,80,903	6,56,199	60,94,168	9,20,094	25,19,554	11,70,590	1,16,41,508
Net block							
Balance as at 31 March, 2020	21,50,018	66,92,610	69,39,161	19,99,802	1,75,54,536	36,96,988	3,90,33,116
Balance as at 31 March, 2021	41,81,369	1,13,60,583	57,04,911	15,82,674	1,83,09,114	31,56,146	4,42,94,796

Note:

Property, Plant and Equipment

Recognition and initial measurement:

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

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

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



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

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

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

Asset Category	Estimated Useful Life (in years) as per Schedule II	Estimated Useful Life (in years) as per technical assessment
Plant & Equipment and Electrical Installation	15	20
Office Equipment	5	6
Buildings :		
General	60	100
Furniture & Fixtures :		
General	10	15-20
Used in hotels and restaurants	8	15-20
Vehicles :		
General	10	8
Used in business of running them on hire	6	8
Computers :		
Servers and networks	6	3
Desktops & Laptops	3	6
Kitchen Equipment	6	6
Crockery & Cutlery(Inc. in Kitchen Equipment)	3	3

Kitchen Equipment includes Crockery & Cutlery and it will depreciate over 6 Years and 3 years respectively.

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

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



NOTE 3 - OTHER INTANGIBLE ASSETS

	Amount in Rs
	Computer Software
Gross Block	
Balance as at 31st March, 2019	24,17,495
Additions during the period	39,720
Disposals during the period	-
Balance as at 31 March, 2020	24,57,215
Additions during the period	-
Disposals during the period	-
Balance as at 31 March, 2021	24,57,215
Accumulated Amortisation	
Balance as at 31st March, 2019	93,634
Depreciation charge during the period	4,88,079
Disposals during the period	-
Balance as at 31 March, 2020	5,81,713
Depreciation charge during the period	4,91,443
Disposals during the period	-
Balance as at 31 March, 2021	10,73,156
Net block	
Balance as at 31 March, 2020	18,75,502
Balance as at 31 March, 2021	13,84,059

NOTE 3A. RIGHT OF USE ASSETS

Particulars	Amount in Rs
Balance as at 1 April 2019	-
Additions during the period	7,11,32,927
Disposals during the period	-
Balance as at 31 March, 2020	7,11,32,927
Additions during the period	-
Disposals during the period	-
Balance as at 31 March, 2021	7,11,32,927
Accumulated Amortisation	
Balance as at 1 April 2019	-
Depreciation charge during the period	72,95,684
Disposal/ adjustment during the period	-
Balance as at 31 March, 2020	72,95,684
Additions during the period	72,95,685
Disposals during the period	-
Balance as at 31 March, 2021	1,45,91,369
Net Block as on 31 March 2020	6,38,37,243
Net Block as on 31 March 2021	5,65,41,558

Note:

Intangible Assets

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

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

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

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

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

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

Amortisation method

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



APEEJAY HOTELS & RESTAURANTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2021

NOTE 4 - TAX ASSETS (NON-CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Advance Income Tax	36,35,606	10,56,556
Total	36,35,606	10,56,556

NOTE 5 - DEFERRED TAX ASSETS(Net)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Component of Deferred Tax Assets (net)		
Deferred Tax Liabilities		
Arising on account of temporary differences in accelerated depreciation for tax purposes	5,71,116	6,95,644
	5,71,116	6,95,644
Deferred Tax Assets		
Allowed only on payment basis	9,16,295	6,68,368
Others	25,71,321	16,54,923
Carried Forward Loss	21,99,502	-
	56,87,117	23,23,291
Deferred Tax Liability / (Assets)	(51,16,001)	(16,27,647)

Reconciliation of deferred tax assets:

Opening Balance as of April 1	16,27,647	8,85,072
Tax expense during the period recognised in Statement of Profit and Loss	35,12,717	7,37,226
Tax income during the period recognised in Other Comprehensive Income	(24,364)	5,349
MAT credit entitlement	-	-
Closing Balance as at end of the period	51,16,000	16,27,647

Movement in deferred tax Assets, net

Movement in Deferred Tax Assets for period ended 31 March 2021:

	Balance as at 31 March, 2020	Recognized in Statement of Profit and Loss	Recognized in OCI	Balance as at 31 March, 2021
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	6,95,644	(1,24,528)	-	5,71,116
Others	-	-	-	-
Gross deferred tax liabilities	6,95,644	(1,24,528)	-	5,71,116
Deferred tax asset				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	-	-	-
Allowed only on payment basis	6,68,368	2,47,927	-	9,16,295
Carried Forward Loss	-	21,99,502	-	21,99,502
MAT credit entitlement	-	-	-	-
Others	16,54,923	9,40,762	(24,364)	25,71,321
Gross deferred tax assets	23,23,291	33,88,190	(24,364)	56,87,117
Deferred tax expense/(income)	-	-	-	-
Deferred tax assets/(liabilities) (net)	16,27,647	35,12,718	(24,364)	51,16,001

Movement in Deferred Tax Assets for period ended 31 March 2020:

	Balance as at 31 March, 2019	Recognized in Statement of Profit and Loss	Recognized in OCI	Balance as at 31 March, 2020
Deferred tax liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	6,95,644	-	6,95,644
Others	-	-	-	-
Gross deferred tax liabilities	-	6,95,644	-	6,95,644
Deferred tax asset				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	5,44,795	(5,44,795)	-	-
Allowed only on payment basis	3,40,278	3,28,090	-	6,68,368
MAT credit entitlement	-	-	-	-
Others	-	16,49,574	5,349	16,54,923
Gross deferred tax assets	8,85,073	14,32,869	5,349	23,23,291
Deferred tax expense/(income)	-	-	-	-
Deferred tax assets/(liabilities) (net)	8,85,073	7,37,225	5,349	16,27,647



	Year ended 31 March, 2021	Year ended 31 March, 2020
(I) Income tax expense reported in Statement of Profit or Loss comprise		
Adjustment of tax relating to earlier periods	-	-
Deferred tax (credit)/ charge	(35,12,718)	(7,37,225)
Income tax expense reported in the Statement of Profit and Loss	(35,12,718)	(7,37,225)
(II) Income tax credit reported in Statement of Other Comprehensive Income comprises		
Deferred tax credit on remeasurement losses on defined benefit obligations	24,364	(5,349)
Income tax credit reported in Statement of Other Comprehensive Income	24,364	(5,349)

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

	Year ended 31 March, 2021	Year ended 31 March, 2020
Profit/(loss) before tax	(98,92,138)	73,11,375
OCI	93,706	(20,572)
Total	(97,98,432)	72,90,803
Statutory income tax rate of 26.00% (31 March 2021 : 26.00%)	(25,47,592)	18,95,609
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustment of tax relating to earlier periods	-	-
True-up adjustments/others	(9,40,762)	(26,38,182)
	(34,88,354)	(7,42,574)

*The Company continues to pay income tax under older tax regime and has not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering to

NOTE 6 - INVENTORIES

(Valued at cost or net realisable value, whichever is lower)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Provisions, Beverages (excluding Wine and Liquor) and Smokes	6,18,545	8,75,305
Wine and Liquor	20,61,802	19,02,055
Stores and Spare Parts	8,77,760	8,55,983
Total	35,58,106	36,33,343

Note:

Inventories :

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

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

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

All Inventory held by the Company are Fresh Stock & none of these are Circulation Stock.



NOTE 7 - TRADE RECEIVABLES

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Unsecured, Considered Good	78,08,512	88,75,056
Total	78,08,512	88,75,056

Trade receivables are non interest bearing and generally on terms of 60 to 90 days

NOTE 8 - CASH & CASH EQUIVALENTS

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Cash on hand	3,53,152	12,29,613
Foreign Currency in hand	48,570	45,598
Balances with Banks - In current accounts	3,21,54,188	4,00,26,419
Total	3,25,55,910	4,13,01,630

Changes in liabilities arising from financing activities

	Amount in Rs			
Particulars	Balance as at 1 April 2020	Cash Flows	Others	Balance as at March 31, 2021
Long term borrowings	23,35,205	-	(7,53,258)	15,81,947
Current maturities of long term borrowings	6,90,194	(6,87,318)	7,53,258	7,56,134
Short term borrowings	3,39,50,022	(99,03,092)	-	2,40,46,930

	Amount in Rs			
Particulars	Balance as at 1 April 2019	Cash Flows	Others	Balance as at 31 March 2020
Long term borrowings	30,25,399	-	(6,90,194)	23,35,205
Current maturities of long term borrowings	6,29,828	(6,29,828)	6,90,194	6,90,194
Short term borrowings	1,99,20,297	1,40,29,726	-	3,39,50,022

NOTE 9 - LOANS (CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Security Deposits	1,02,000	1,69,000
Total	1,02,000	1,69,000

NOTE 10 - OTHER FINANCIAL ASSETS (CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Security Deposits	-	-

NOTE 11 - OTHER CURRENT ASSETS

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Balance With Government Authorities	93,25,545	24,45,996
Prepaid Expenses	19,42,892	5,86,661
Total	1,12,68,437	30,32,657



NOTE 12 - EQUITY SHARE CAPITAL

	As at March 31 2021	As at 31 March 2020
Authorised Equity Share Capital	Number of Shares	Amount in Rs
Equity share of Rs 10 each		
As at 1 April 2020	10,000	1,00,000
Changes during the period	-	-
As at 31 March 2021	10,000	1,00,000
Issued, subscribed and paid up	Number of Shares	Amount in Rs
Equity share of Rs 10 each, issued subscribed and fully paid up		
As at 1 April 2020	10,000	1,00,000
Changes during the period	-	-
As at 31 March 2021	10,000	1,00,000

(a) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholders is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company.

(b) Details of equity shares held by shareholders holding more than 5% of the aggregate share in the Company

	As at March 31 2021		As at 31 March 2020	
	%	Number of Shares	%	Number of Shares
Apeejay Surrendra Park Hotels Limited (The Holding Company)	100%	10,000	100%	10,000

(c) No Shares have been reserved for issue under Option and Contracts/ Commitments for the sale of shares/ Disinvestment as at the Balance

(d) No convertible securities have been issued by the Company during the year.

(e) No calls are unpaid by any Director, an Officer of the Company during the year.



NOTE 13 - OTHER EQUITY

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Retained Earnings		
Opening Balance	52,79,148	(13,98,129)
Profit/(Loss) for the year	(63,79,421)	66,92,501
Other Comprehensive Income / (loss) for the year	69,342	(15,223)
Closing Balance	(10,30,930)	52,79,148

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

NOTE 14 - LEASE LIABILITIES (NON CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Lease liabilities	6,22,85,905	6,02,02,329

NOTE 15 - NON-CURRENT BORROWINGS

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Secured		
Vehicle Loan from Banks (Payable with in 5 years through EMI, Secured against Hypothecation of Vehicle)- More than 12 Months	15,81,947	23,35,205
Total	15,81,947	23,35,205

Repayment terms and security disclosure for outstanding long term borrowings as on 31 March 2021

(i) Vehicle loan aggregating INR 23,38,081/- (31 March 2020 : INR 30,25,399/-) from banks are secured by way of hypothecation of vehicles financed which is repayable in 60 monthly installments

NOTE 16 - PROVISIONS (NON CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Gratuity	15,75,203	11,46,656
Total	15,75,203	11,46,656

NOTE 17 - LEASE LIABILITIES (CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Lease liabilities	41,45,347	1,00,00,000

NOTE 18 - BORROWINGS

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Unsecured Loan from ASPHL (Holding Co.)	2,40,46,930	3,39,50,021

Loan from ASPHL is repayable on demand and carries interest @ 10%.

NOTE 19 - TRADE PAYABLES

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Trade Payables		
Dues to micro enterprises and small enterprises	1,47,926	6,59,877
Dues to other than micro enterprises and small enterprises	5,80,74,432	4,07,35,879
Total	5,82,22,358	4,13,95,756

Trade Payables are no interest (except MSME) bearing and are normally settled within 90-120 days
Trade Payables include due to related parties, refer Note 34.

NOTE 20-OTHER FINANCIAL LIABILITIES (CURRENT)

	Amount in Rs	
	As at March 31 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 15)	7,56,134	6,90,194
Employee benefits payable	15,69,174	16,30,606
Interest Accrued	27,89,345	19,81,805
Total	51,14,652	43,02,605

