DRAFT RED HERRING PROSPECTUS
December 30, 2019
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

THE PARK

APEEJAY SURRENDRA PARK HOTELS LIMITED

Our Company was originally incorporated at Karnataka on November 27, 1987, as Budget Hotels Limited, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 27, 1987 issued by the Registrar of Companies, Bangalore at Karnataka. Subsequently, pursuant to an acquisition agreement dated May 5, 1999 entered between Apeejay Hotels Delhi and the erstwhile shareholders of our Company, the entire issued and paid up equity share capital of our Company constituting 571,940 equity shares of face value of ₹ 100 each, was acquired by Apeejay Hotels Delhi and our Company became the wholly owned subsidiary of Apeejay Hotels Delhi. Subsequently, pursuant to the scheme of amalgamation approved vide orders of the High Court of Madras dated June 13, 2003, High Court of Delhi dated August 6, 2003, and High Court of Karnataka dated September 17, 2003, Apeejay Hotels Delhi, and Gemini Hotels and Holdings Limited (a wholly owned subsidiary of Apeejay Hotels Delhi) were amalgamated with our Company, with the appointed date being April 1, 2001. Thereafter, to closely identify the association of our Company with the Apeejay Surrendra Group, the name of our Company was changed from Budget Hotels Limited to Apeejay Surrendra Park Hotels Limited, pursuant to the resolution passed by our Shareholders at their EGM held on March 8, 2004 and the certificate of incorporation pursuant to change of name was issued by the RoC on March 29, 2004. Further, pursuant to our Shareholders' resolution dated November 30, 2016 and order dated June 22, 2017 passed by the Regional Director, South East Region, Hyderabad, our registered office was shifted from the State of Karnataka to State of West Bengal. For further details relating to changes in the registered office and name of our Company, see "*History and Certain Corporate Matters*" on page 169.

Registered Office: 17, Park Street, Kolkata – 700 016, West Bengal, India;
Corporate Office: The Park Hotels, N-80, Connaught Place, New Delhi 110 001
Telephone number: +91 33 2249 9000
Contact Person: Shalini Keshan, Company Secretary and Compliance Officer
E-mail: skeshan@theparkhotels.com; **Website**: www.theparkhotels.com
Corporate Identity Number: U85110WB1987PLC222139

OUR PROMOTERS: KARAN PAUL, PRIYA PAUL, APEEJAY SURRENDRA TRUST AND FLURY'S SWISS CONFECTIONERY PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF APEEJAY SURRENDRA PARK HOTELS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ 10,000 MILLION (THE "OFFER"), COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,000 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,000 MILLION, COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,254.12 MILLION BY APEEJAY SURRENDRA TRUST (THE "PROMOTER SELLING SHAREHOLDER"), [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,549.50 MILLION BY APEEJAY PRIVATE LIMITED AND [●] EQUITY SHARES AGGREGATING UP TO ₹ 847.30 MILLION BY APEEJAY HOUSE PRIVATE LIMITED (TOGETHER WITH APEEJAY PRIVATE LIMITED, THE "PROMOTER GROUP SELLING SHAREHOLDERS", [●] EQUITY SHARES AGGREGATING UP TO ₹ 332.05 MILLION BY RECP IV PARK HOTEL INVESTORS LTD AND [●] EQUITY SHARES AGGREGATING UP TO ₹ 17.03 MILLION BY RECP IV PARK HOTEL CO-INVESTORS LTD (TOGETHER WITH RECP IV PARK HOTEL INVESTORS LTD, THE "INVESTOR SELLING SHAREHOLDERS", AND THE INVESTOR SELLING SHAREHOLDERS TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER AND PROMOTER GROUP SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") ("OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") AT A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹ [●]) ON THE OFFER PRICE. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED BENGALI NEWSPAPER, BENGALI BEING THE REGIONAL LANGUAGE OF KOLKATA, WEST BENGAL, WHERE OUR REGISTERED OFFICE IS SITUATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Selling Shareholders and the BRLMs may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release, and also by indicating the change on the websites of the BRLMs, and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company in consultation with the Selling Shareholders and the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Accounts (including UPI ID for Retail Individual Bidders using UPI Mechanism) which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" on page 373.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1 each. The Floor Price, Cap Price and Offer Price, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity – related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 27.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and its portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company or the other Selling Shareholder in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered though the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Material Documents for Inspection***" on page 414.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
ICICI Securities	AXIS CAPITAL	JM FINANCIAL	LINK Intime
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai – 400 020 Maharashtra, India **Telephone number**: +91 22 2288 2460 **E-mail**: parkhotels.ipo@icicisecurities.com **Website**: www.icicisecurities.com **Investor grievance e-mail**: customercare@icicisecurities.com **Contact person**: Rishi Tiwari/ Nidhi Wangnoo **SEBI registration number**: INM000011179	**Axis Capital Limited** 1st Floor, C-2, Axis House Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai – 400 025 Maharashtra, India **Telephone number:** +91 22 4325 2183 **E-mail:** parkhotels.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor grievance e-mail:** complaints@axiscap.in **Contact person:** Akash Aggarwal / Sagar Jatakiya **SEBI registration number:** INM000012029	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai – 400 025 Maharashtra, India **Telephone number**: +91 22 6630 3030 **E-mail**: parkhotels.ipo@jmfl.com **Website**: www.jmfl.com **Investor grievance e-mail**: grievance.ibd@jmfl.com **Contact person**: Prachee Dhuri **SEBI registration number**: INM000010361	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra , India **Telephone number**: +91 22 4918 6200 **E-mail**: parkhotels.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor grievance e-mail**: parkhotels.ipo@linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI registration number**: INR000004058

BID/OFFER PROGRAMME			
BID/OFFER OPENS ON	[●][1]	**BID/OFFER CLOSES ON**	[●][2]

[1] *Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

[2] *Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulation, rule, guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have the same meaning (to the extent applicable) as assigned to such terms under the Companies Act, SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Description of Equity Shares and Terms of the Articles of Association", "Statement of Special Tax Benefits", "Industry Overview", "Our Business", "Risk Factors", "Key Regulations and Policies", "Summary of Financial Information", "Other Financial Information", "Outstanding Litigation and Material Developments", "Government and Other Approvals" and "Offer Procedure", will have the meaning ascribed to such terms in respective sections.

General Terms

Term	Description
"our Company", "the Company" or "the Issuer"	Apeejay Surrendra Park Hotels Limited (formerly known as Budget Hotels Limited), a company incorporated under the Companies Act, 1956 and having its registered office at 17, Park Street, Kolkata – 700 016, West Bengal, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries, on a consolidated basis. Please note that for any discussion for the periods relating to Fiscals 2019, 2018 and 2017, the terms "we", "us" or "our" would indicate or imply, our Company together with its subsidiaries and joint ventures at such periods
"Group"	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries, on a consolidated basis

Company and Selling Shareholders Related Terms

Term	Description
"Apeejay Hotels Delhi"	Northern Enterprises Limited was incorporated at Delhi on May 17, 1961 as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana at Delhi and was subsequently converted to public limited company. The name of Northern Enterprises Limited was changed to Apeejay Surrendra Park Hotels Limited, pursuant to fresh certificate of incorporation issued by Registrar of Companies, Delhi and Haryana at Delhi, dated January 31, 1995. Apeejay Surrendra Park Hotels Limited was subsequently, amalgamated with our Company pursuant to the scheme of amalgamation filed by our Company. For details see "*History and Certain Corporate Matters*" on page 169
"Apeejay Surrendra Trust"	Apeejay Surrendra Trust, as an irrevocable trust pursuant to a private trust deed dated December 22, 2004, acting through its Trustee(s)
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended, from time to time
"ASMSL"	Apeejay Surrendra Management Services Private Limited
"Audit Committee"	The audit committee of our Board, as described in "*Our Management – Committees of our Board*" on page 184
"Auditor" or "Statutory Auditors"	The statutory auditors of our Company, being S.R. Batliboi & Co. LLP, Chartered Accountants
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof
"Board of Trustees"	The board of trustees of Apeejay Surrendra Trust, comprising of Karan Paul, Shirin Paul and Ashoke Ghosh
"Brand Usage and Service Agreement"	Brand Usage and Service Agreement dated December 23, 2019, between our Company and ASMSL
"Budget Hotels" or "Budget Hotels Limited"	Our Company which was originally incorporated as Budget Hotels Limited on November 27, 1987

Term	Description
"Business Transfer Agreement"	Business transfer agreement dated December 19, 2019, between our Company and Flury's Swiss Confectionery
"Chief Financial Officer"	The Chief Financial Officer of our Company, Atul Khosla. For details, see "*Our Management*" on page 178
"Company Secretary and Compliance Officer"	Company Secretary and Compliance Officer of our Company, Shalini Keshan. For details, see "*General Information*" on page 70
"CSR Committee" or "Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board, constituted in accordance with the Companies Act and as described in "*Our Management – Committees of our Board*" on page 184
"Director(s)"	Director(s) on the Board of our Company
"Equity Shares"	Equity shares of our Company of face value of ₹ 1 each
"Executive Director"	Executive director of our Company
"Gemini Hotels"	Gemini Hotels and Holdings Limited, which was a wholly owned subsidiary of Apeejay Hotels Delhi incorporated under Companies Act, 1956. Gemini Hotels was amalgamated with our Company pursuant to a scheme of amalgamation. For details, see "*Capital Structure"* on page 79
"Group Companies"	Companies (other than our Subsidiaries and Promoters) with which there were related party transactions during the period for which financial information is disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards, and such other companies considered material by our Board in accordance with our Materiality Policy and as disclosed in "*Our Group Companies*" on page 201
"Independent Director"	Independent directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management"* on page 178
"Investor Selling Shareholders" or "Investors"	RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd
"IPO Committee"	The IPO Committee of our Board, constituted by a resolution of our Board dated December 21, 2019
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in "*Our Management*" on page 178
"Managing Director"	The managing director of our Company, Vijay Dewan. For details, see "*Our Management*" on page 178
"Materiality Policy"	The policy adopted by our Board on December 21, 2019, for identification of material: (a) outstanding litigation proceedings; (b) group companies; and (c) outstanding dues to creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board, as described in "*Our Management – Committees of our Board*" on page 184
"Non-Executive Director(s)"	A Director not being an Executive Director
"Other Revenue"	Other ancillary and allied service income/ other services (banquet, spa, entry fees, yacht hire charges, etc.) and telephone and telex services, shop rentals, accrued duty exemption entitlement and other benefits, income from government grant, liabilities no longer required written back, membership and subscription fees, interest on advances, deposits and tax refunds, commission, rental income, marked to market gain on financial instruments at fair value through profit and loss, net gain on foreign currency translation, provision for doubtful debts no longer required written back, insurance claim, interest income on deferred employee loan, profit on sale of investment in joint venture and miscellaneous income. For details of the breakdown of our Other Revenue, for the three months period ended June 30, 2019 and years ended March 31, 2019, 2018 and 2017, see "*Our Business – Description of our Business – Our Key Operating Parameters*" on page 153
"Proforma Financial Statements"	Our proforma consolidated financial information comprising the proforma consolidated balance sheet as at March 31, 2019 and June 30, 2019 and the proforma consolidated statement of profit and loss for the year ended March 31, 2019 and for the three months ended June 30, 2019, read with the notes to the proforma consolidated financial information, which has been prepared in accordance with the requirements of the SEBI ICDR Regulations and "Guide to Reporting on Proforma Financial Statements" issued by the Institute of Chartered Accountants of India, to reflect the impact of a material acquisition of confectionery business of Flury's Swiss Confectionery Private Limited made after

Term	Description
	the date of the latest period for which financial information is disclosed in this Draft Red Herring Prospectus but before date of filing of this Draft Red Herring Prospectus
"Promoter Entitlement Date"	The date on which Promoters or any of its affiliates (as indicated by Promoters) are entitled to receive the Promoter Entitlement, i.e., December 23, 2019. For details see "*History and Certain Corporate Matters*" on page 169.
"Promoter Entitlement"	Entitlement of the Promoters or its affiliates (as indicated by Promoters) to receive 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares from RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**"), on completion of the actions as set out in Share Transfer Agreement. For details see "*History and Certain Corporate Matters*" on page 169
"Promoter Group"	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 196
"Promoter(s)"	The promoters of our Company, as identified in accordance with Regulation 2(1)(oo) of the SEBI ICDR Regulations and Section 2(69) of the Companies Act, namely Karan Paul, Priya Paul, Apeejay Surrendra Trust and Flury's Swiss Confectionery Private Limited. For details, see "*Our Promoters and Promoter Group*" on page 196
"Promoter Selling Shareholder"	Apeejay Surrendra Trust, a Promoter of our Company
"Promoter Group Selling Shareholder (s)"	Apeejay Private Limited and Apeejay House Private Limited, members of our Promoter Group
"Registered Office"	The registered office of our Company, situated at 17, Park Street, Kolkata – 700 016, West Bengal, India
"Registrar of Companies" or "RoC"	Registrar of Companies, West Bengal at Kolkata
"Restated Financial Statements"	Our restated Ind AS consolidated summary statement of assets and liabilities as at June 30, 2019 and as at March 31, 2019, March 31, 2018 and March 31, 2017, and restated Ind AS consolidated summary statement of profit and loss, restated Ind AS consolidated summary statement of changes in equity and restated Ind AS consolidated summary statement of cash flows for three month period ended June 30, 2019 and each year ended March 31, 2019, March 31, 2018 and March 31, 2017, together with the annexures, notes and other explanatory information thereon, derived from the interim audited consolidated financial statements for the three month period ended June 30, 2019 prepared in accordance with Ind AS 34 and annual audited consolidated financial statements for year ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared in accordance with Ind AS notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.
"Scheme"	The scheme of amalgamation of the Apeejay Hotels Delhi, and Gemini Hotels and Holdings Limited (a wholly owned subsidiary of Apeejay Hotels Delhi) with our Company
"Selling Shareholders"	The Promoter Selling Shareholder, Promoter Group Selling Shareholders and the Investor Selling Shareholders
"Shareholder(s)"	Equity shareholders of our Company, from time to time
"Share Transfer Agreement"	Share Transfer Agreement dated December 26, 2019 entered between the Promoters, the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board as described in "*Our Management – Committees of our Board*" on page 184
"Subsidiary(ies)"	Subsidiaries of our Company, namely Apeejay Charter Private Limited, and Apeejay Hotels & Restaurants Private Limited
"Transaction Closing"	In reference to Share Transfer Agreement, transaction closing means (i) the completion of the transfer of the confectionery business of Flury's Swiss Confectionery Private Limited to the Company, including the transfer of all assets, liabilities, intellectual property rights, agreements, employees, insurance, approvals *etc.* in relation to the confectionery business of Flury's Swiss Confectionery Private Limited in the name of the Company as per the terms of Business Transfer Agreement; (ii) the termination of the Royalty Agreement becoming effective; (iii) the termination of the Service Agreement becoming effective; and (iv) execution of the Brand Usage and Service Agreement, which shall be completed by the Promoters subsequent to the transfer of Promoters

Term	Description
	Entitlement by the Investors, and on or before 150th day from the date of execution of the Share Transfer Agreement
"Trustee"	The trustees of Apeejay Surrendra Trust are Karan Paul, Shirin Paul and Ashoke Ghosh

Offer Related Terms

Term	Description
"Acknowledgement Slip"	The slip or document issued by a Designate Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allotment" or "Allot" or "Allotted"	The allotment or transfer, as the case may be, of Equity Shares pursuant to the Offer to the successful Bidders
"Allotment Advice"	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor"	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus, which will be decided by our Company in consultation with the Selling Shareholders and the BRLMs during the Anchor Investor Bidding Date
"Anchor Investor Application Form"	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bidding Date"	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
"Anchor Investor Bid / Offer Period"	One Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the Selling Shareholders and the BRLMs
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the Selling Shareholders and the BRLMs, to Anchor Investors on a discretionary basis, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
"ASBA Account"	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Banker(s) to the Offer"	Collectively Escrow Collection Bank(s), Refund Bank(s), Public Offer Bank(s) and Sponsor Bank(s)
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer as decided by our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange and as described in "*Offer Procedure*" on page 373
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as

Term	Description
	permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer which was net of the Employee Discount, as applicable. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut off Price and the Bid amount will be the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares
"Bid/Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, [●], the date after which the Designated Intermediaries will not accept any Bids being [●], which shall also be published in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Bengali newspapers, respectively, Bengali also being the regional language of West Bengal, where our Registered Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate members and by intimation to Designated Intermediaries and the Sponsor Bank. Our Company in consultation with the Selling Shareholders and the BRLMs, may consider closing the Offer Period for QIBs one Working Day prior to the Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bid/Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, [●], the date on which the Designated Intermediaries shall start accepting Bids for the Offer being [●], which shall also be published in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Bengali newspapers, respectively, Bengali also being the regional language of Kolkata, West Bengal, where our Registered Office is located)
"Bid/Offer Period"	Except in relation to Bids received from the Anchor Investors, the period from and including the Bid/Offer Opening Date to and including the Bid/Offer Closing Date during which ASBA Bidders can submit their Bids, including any revisions thereto, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company in consultation with the Selling Shareholders and the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bidder"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and, unless otherwise stated or implied, includes an Anchor Investor
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
"Book Building Process"	The book building process as described in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"BRLM(s)" or "Book Running Lead Managers"	The book running lead managers to the Offer, being ICICI Securities Limited, Axis Capital Limited and JM Financial Limited
"Broker Centres"	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.

Term	Description
"Cash Escrow and Sponsor Bank Agreement"	Agreement to be entered into by and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Refund Bank(s) and Sponsor Bank for, among other things, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected on the terms and conditions thereof
"Circular on Streamlining of Public Issues"	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and the circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
"Client ID"	Client identification number maintained with one of the Depositories in relation to the demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
"Cut off Price"	Offer Price, finalised by our Company in consultation with the Selling Shareholders and the BRLMs, which shall be any price within the Price Band Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut off Price
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
"Designated Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
"Designated CDP Locations"	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Date"	The date on which funds are transferred from the Escrow Accounts and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
"Designated Intermediaries"	Collectively the Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
"Designated SCSBs"	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated December 30, 2019, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
"Eligible Employees"	A permanent employee of our Company or of any of our Promoters or Subsidiaries, working in India or outside India, and our Directors, whether whole-time or not, as of the date of the filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, or any of our Promoters or Subsidiaries or be our Director(s), as the case may be until the submission of the Bid cum Application Form but shall not include (i) our Promoters, (ii) a person belonging to our Promoter Group; (iii) Director(s) who

Term	Description
	either himself/herself or through their relatives or through any body corporate, directly or indirectly, holds more than 10% of the Equity Shares issued by our Company; and (iv) such persons who are not eligible to invest in the Offer under applicable laws. The maximum Bid Amount under the Employees Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount). The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount).
"Eligible NRIs"	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA form and Red Herring Prospectus will constitute an invitation to subscribe or purchase the Equity Shares offered thereby
"Employee Discount"	Discount of [●]% (equivalent to ₹[●]) to the Offer Price to Eligible Employees Bidding in the Employee Reservation Portion, as may be decided by our Company in consultation with the Selling Shareholders and the BRLMs and announced at least two Working Days prior to the Bid/Offer Opening Date
"Employee Reservation Portion"	The portion of the Offer, being up to [●] Equity Shares (comprising up to [●]% of our post-Offer paid up Equity Share capital) at the Offer Price aggregating up to ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis
"Escrow Account(s)"	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
"Escrow Agent" or "Share Escrow Agent"	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
"Escrow Collection Bank(s)"	[●]
"First Bidder"	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
"Floor Price"	The lower end of the Price Band, subject to any revision(s) thereto, i.e. ₹ [●], at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids, will be accepted
"General Information Document"	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and the circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs.
"Mutual Funds"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Mutual Fund Portion"	5% of the QIB Portion (other than Anchor Investor Portion) available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Net Offer"	The Offer less the Employee Reservation Portion. The Net Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company
"Net QIB Portion"	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Net Offer Proceeds"	The proceeds from the Offer less the Offer related expenses
"Non-Institutional Bidders"	All Bidders, that are not QIBs or Retail Individual Bidders who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
"Non-Institutional Portion"	The portion of the Offer being not more than 15% of the Net Offer consisting of [●]

Term	Description
	Equity Shares which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price
“Non-Resident”	A person resident outside India, as defined under FEMA and includes NRIs, FVCIs and FPIs
“Offer”	Initial public offering of up to [●] Equity Shares of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ 10,000 million, comprising a fresh issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million by our Company and an offer for sale of up to [●] Equity Shares aggregating up to ₹ 6,000 million, comprising up to [●] Equity Shares aggregating up to ₹ 1,254.12 million by Promoter Selling Shareholder, [●] Equity Shares aggregating up to ₹ 3,549.50 million by Apeejay Private Limited and [●] Equity Shares aggregating up to ₹ 847.30 million by Apeejay House Private Limited (together with Apeejay Private Limited, the “**Promoter Group Selling Shareholders**”), and up to [●] Equity Shares aggregating up to ₹ 349.08 million by Investor Selling Shareholders. The offer includes a reservation of up to [●] Equity Shares (constituting up to [●]% of the post-offer paid-up Equity Share capital of our Company) aggregating up to ₹ [●] million, for subscription by eligible employees at a discount of up to [●]% (equivalent to ₹ [●]) on the Offer Price.
“Offer Agreement”	The agreement dated December 30, 2019 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
“Offer Document(s)”	Collectively, the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus of the Company or any other documents in connection with the Offer, including all supplements, corrections, amendments and corrigenda thereto
“Offer Price”	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. Allotment to Eligible Employees Bidding under the Employee Reservation Portion shall be at the Offer Price net of Employee Discount, if any. The Offer Price will be decided by our Company in consultation with the Selling Shareholders and the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
“Offered Shares”	Collectively, up to [●] Equity Shares aggregating up to ₹ 6,000 million by the Selling Shareholders
“Price Band”	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the Selling Shareholders and the BRLMs and will be advertised in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Bengali newspapers, respectively, Bengali also being the regional language of Kolkata, West Bengal, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date
“Pricing Date”	The date on which our Company in consultation with the Selling Shareholders and the BRLMs, will finalise the Offer Price
“Prospectus”	The prospectus to be filed with the Registrar of Companies in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter-alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
“Public Offer Account”	Bank account to be opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
“Public Offer Account Bank(s)”	[●]
“QIB Category” or “QIB Portion”	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors)
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidder”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus”	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which

Term	Description
	will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto. The Bid/Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date
"Refund Account(s)"	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
"Refund Bank(s)"	[●]
"Registered Broker"	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids
"Registrar Agreement"	The agreement dated December 30, 2019, entered into by and among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from ASBA Bidders at the Designated RTA Locations as per the lists available on the websites of BSE and NSE
"Registrar" or "Registrar to the Offer"	Link Intime India Private Limited
"Retail Individual Bidder" or "RIBs"	Individual Bidders, other than Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
"Retail Portion"	The portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Revision Form"	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
"Share Escrow Agreement"	Agreement to be entered into by and amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by such Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
"Specified Cities" or "Specified Locations"	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
"Sponsor Bank"	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, the Sponsor Bank in this case being [●]
"Stock Exchange(s)"	Collectively, BSE and NSE
"Syndicate Agreement"	Agreement to be entered into among our Company, the Registrar to the Offer, the Selling Shareholders, BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate
"Syndicate"	Together, the BRLMs and the Syndicate Members
"Syndicate Members"	Intermediaries registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]

Term	Description
“Systematically Important Non-Banking Financial Company” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
“Underwriters”	[●]
“UPI ID”	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
“UPI Mandate Request”	A request (intimating the RIB by way of a notification on the UPI application and by way of an SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
“UPI Mechanism”	The mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the Circular on Streamlining of Public Issues
“Underwriting Agreement”	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
“Wilful Defaulters”	A person or Company who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India
“Working Day”	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

Conventional terms and abbreviations

Term	Description
“A.Y.” or “AY”	Assessment year
“A/c”	Account
“AGM”	Annual general meeting
“AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“AIFs” or “Alternative Investment Funds”	Alternative investment funds as defined in and registered under the AIF Regulations
“Air Act”	Air Pollution (Prevention and Control of Pollution) Act, 1981
“Arbitration Act”	Arbitration and Conciliation Act, 1996,
“AS”	Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Account) Rules, 2014
“Axis”	Axis Capital Limited
“BSE”	BSE Limited
“CAGR”	Compounded Annual Growth Rate
“Calendar Year” or “CY” or “year”	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
“CARO”	Companies (Auditors’ Report) Order
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category II Foreign Portfolio Investors”	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited
“CIN”	Corporate identity number
“Companies Act, 1956”	Companies Act, 1956, and the rules, regulations, modifications and clarifications made thereunder, as the context requires
“Companies Act, 2013”	Companies Act, 2013 and the rules, regulations, modifications and clarifications thereunder, to the extent notified
“Companies Act”	Companies Act, 1956 to the extent not repealed, and/or the Companies Act, 2013

Term	Description
"Competition Act"	Competition Act, 2002
"Consumer Protection Act"	The Consumer Protection Act, 1986
"CPC"	Code of Civil Procedure, 1908
"CrPC"	Code of Criminal Procedure, 1973
"CSR"	Corporate social responsibility
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DIN"	Director Identification Number
"DIPP"	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
"DP ID"	Depository Participant's identification number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DPII"	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
"EBITDA"	Restated profit/(loss) before share of profit(loss) of joint venture and tax + Finance Costs + Depreciation and amortization expenses. For details, see "*Other Financial Information"* on page 294
"EBITDA Margin"	EBITDA as a percentage of total income
"EGM"	Extraordinary general meeting
"EPF Act"	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
"EPS"	Earnings per share (as calculated in accordance with AS-20)
"ESI Act"	The Employees' State Insurance Act, 1948
"ESOP"	Employee Stock Option Plan
"FDI"	Foreign direct investment
"FDI Policy"	The consolidated FDI Policy Circular of 2017 issued by the DIPP, which took effect from August 28, 2017
"FEMA"	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
"FEMA Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Finance Act"	Finance Act, 1994
"Financial Year", "Fiscal", "FY" or "F.Y."	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
Flury's, or "Flury's Swiss Confectionery"	Flury's Swiss Confectionery Private Limited, which owns the brand '*Flurys*'
"FPI(s)"	Foreign Portfolio Investor, as defined under the SEBI FPI Regulations
"FIR"	First Information Report
"Fugitive Economic Offender"	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"FVCI"	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
"GAAR"	General anti-avoidance rules
"GDP"	Gross domestic product
"GIR Number"	General index registration number
"GoI"	Government of India
"GST"	Goods and services tax
"Hazardous Waste Rules"	Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016
"HUF"	Hindu undivided family
"I.T. Act"	The Income Tax Act, 1961
"IBC"	Insolvency and Bankruptcy Code, 2016, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICDS"	Income Computation and Disclosure Standards
"IFRS"	International Financial Reporting Standards
"Ind AS"	Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Ind AS Rules (as defined below)
"Ind AS Rules"	The Companies (Indian Accounting Standard) Rules, 2015, as amended
"India"	Republic of India
"Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"IPO"	Initial public offer
"ISEC"	ICICI Securities Limited

Term	Description
"IT"	Information technology
"IT Act"	Information Technology Act, 2000
"JM"	JM Financial Limited
"LIBOR"	London Interbank Offered Rate
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
"MCLR"	Marginal cost lending rate
"MCA"	Ministry of Corporate Affairs, Government of India
"MICR"	Magnetic ink character recognition
"Mn" or "mn"	Million
"Mutual Fund(s)"	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"N.A." or "NA"	Not applicable
"NACH"	National Automated Clearing House
"NAV"	Net asset value
"NEFT"	National electronic fund transfer
"Net Asset Value per Equity Share"	Restated net worth at the end of the year / period divided by weighted average number of equity shares outstanding at the end of year / period
"Net Worth"	Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Return to be considered as profit or loss attributable to 'owners of the parent' and net worth should be considered as attributable to 'owners of the parent'
No.	Number
"NPCI"	National Payments Corporation of India
"Non-Resident"	A person resident outside India, as defined under FEMA
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NRI" or "Non-Resident Indian"	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"P/E"	Price/ Earnings
"P/E Ratio"	Price/earnings ratio
"PAN"	Permanent account number allotted under the I.T. Act
"PCBs"	Pollution Control Boards
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the Securities Act
"RoNW" or "Return on net worth"	Restated net profit /(loss) after tax divided by Restated net worth at the end of the year / period
"Rs.", "Rupees", "₹" or "INR"	Indian Rupees
"RTGS"	Real time gross settlement
"Rule 144A"	Rule 144A under the Securities Act
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
"SEBI FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019

Term	Description
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI SBEB Regulations"	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
"Securities Act"	US Securities Act of 1933
"SICA"	Sick Industrial Companies (Special Provisions) Act, 1985
"State Government"	Government of a State of India
"STT"	Securities Transaction Tax
"TAN"	Tax deduction account number
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
"Trade Marks Act"	Trade Marks Act, 1999
"UPI"	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
"U.S."	The United States of America
"US GAAP"	Generally Accepted Accounting Principles in the United States of America
"USD/US$"	United States Dollars
"VAT"	Value added tax
"VCF Regulations"	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
"VCFs"	Venture capital funds as defined in, and registered with SEBI under, the VCF Regulations
"Water Act"	Water Pollution (Prevention and Control of Pollution) Act, 1974

Industry related terms

Term	Description
"ADR"	Average daily rate. ADR represents hotel room revenues divided by the total number of room nights sold in a given period
"Average Occupancy"	Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period
"CAGR" or "Compounded Annual Growth Rate"	CAGR = (Ending Value/ Beginning Value)^(1/ # of years) - 1
"Chain-affiliated hotels"	Chain-affiliated hotels are hotels that are either (i) owned and operated by hotel chains, (ii) operated by hotel chains on behalf of other owners, or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. These include all recognised international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country and domestic hotel chains that are generally considered as operating under common branding. Chain-affiliated hotels do not include other domestic chains which have less than five hotels operating regionally in India, groups that have multiple hotels only within one state (unless they are generally regarded as chain-affiliated hotels by the market), companies that are primarily operating time share facilities and one star hotels
"CRISIL" or "CRISIL Research"	CRISIL Limited
"CRISIL Research Report"	"*Assessment of the Bakery, Café and Confectioneries Market in India*" dated December 2019 prepared by CRISIL
"Economy segment"	There are typically two star hotels providing functional accommodations and limited services, while being focused on price consciousness
"FSI"	Floor Space Index, calculated as the ratio between the built up area for a project or hotel to the area of the plot or land parcel on which the building stands
"Horwath HTL"	Crowe Horwath HTL Consultants Private Limited
"Horwath HTL Report"	"*Industry Report – Upper Tier and Upper Midscale Hotels*" dated December 24, 2019 prepared by Horwath HTL
"Keys"	Available rooms at a hotel
"LEED"	Leadership in Energy and Environmental Design
"Luxury and upper upscale segment"	Typically refers to top tier hotels. In India, these would generally be classified as five star, deluxe and luxury hotels
"MICE"	Meetings, Incentives, Conferences and Events
"Mid-priced hotel sector"	Combined set of "value-priced" hotels which are classified as upper midscale, midscale and economy segment hotels

"Midscale segment"	They are typically three star hotels with distinctly moderate room sizes, quality and pricing and a lower quality of services, while domestic brand midscale hotels are often more full service in nature, services tend to be more selectively available among international branded midscale hotels
"OTA"	Online Travel Agent
"PAR"	Per Available Room
"RevPAR"	Revenue per available room. RevPAR is calculated by multiplying ADR charged and the average occupancy achieved, for a given period. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenues or transport, telephone and other guest service revenues generated by a hotel
"Upper midscale segment"	These hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upscale hotels. In India, these would generally be classified as four star and sometimes three star hotels
"Upscale segment"	These are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India, these would generally be classified as four or even five star hotels

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial data included in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. We have also included our Proforma Financial Statements in this Draft Red Herring Prospectus.

Our restated Ind AS consolidated summary statement of assets and liabilities as at June 30, 2019 and as at March 31, 2019, March 31, 2018 and March 31, 2017, and restated Ind AS consolidated summary statement of profit and loss, restated Ind AS consolidated summary statement of changes in equity and restated Ind AS consolidated summary statement of cash flows for three month period ended June 30, 2019 and each year ended March 31, 2019, March 31, 2018 and March 31, 2017, together with the annexures, notes and other explanatory information thereon, derived from the interim audited Ind AS consolidated financial statements for the three month period ended June 30, 2019 prepared in accordance with Ind AS 34 and annual audited Ind AS consolidated financial statements for year ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared in accordance with Ind AS notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.

Our proforma consolidated financial information comprising the proforma consolidated balance sheet as at March 31, 2019 and June 30, 2019 and the proforma consolidated statement of profit and loss for the year ended March 31, 2019 and for the three months ended June 30, 2019, read with the notes to the proforma consolidated financial Information, which has been prepared in accordance with the requirements of the SEBI ICDR Regulations to reflect the impact of a material acquisition of confectionery business of Flury's Swiss Confectionery Private Limited (the "**Confectionery Business**") made after the date of the latest period for which financial information is disclosed in this Draft Red Herring Prospectus but before date of filing of this Draft Red Herring Prospectus; and which have been prepared taking into consideration (a) the restated consolidated financial statements of the Group for the year ended March 31, 2019 and for three months period ended June 30, 2019; (b) the special purpose carve-out financial statements of the Confectionery Business for the year ended March 31, 2019 and three months period ended June 30, 2019; (c) adjustments to the unaudited proforma financial information arising from transactions between the Company and the Confectionary Business during the year ended March 31, 2019 and three months period ended June 30, 2019; (d) adjustments to recognise the impact of allocation of purchase consideration paid/payable by the Company; (e) expenditure incurred by the Company that are directly attributable to the acquisition. The proforma consolidated statement of profit and loss for the year ended March 31, 2019 and three months ended June 30, 2019 gives effect to this transaction as if it had occurred on April 1, 2018 and April 1, 2019 respectively. The proforma consolidated balance sheet as on March 31, 2019 and as of June 30, 2019 gives effect to this transaction as if it had occurred on March 31, 2019 and June 30, 2019 respectively. The acquisition of the Confectionery Business has been accounted for under the acquisition method in accordance with Ind AS 103 'Business Combinations'. Accordingly, the Group has provisionally allocated the purchase consideration to the estimated fair value of assets acquired and liabilities assumed from the Confectionary Business and recognised the difference between purchase consideration and net assets as goodwill in the Proforma Financial Statements as at March 31, 2019 and as at June 30, 2019. The special purpose carve out financial statements of the Confectionery Business have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and adjusted to comply with the Group's accounting policies in all material aspects, as appearing in the Restated Financial Statements. For further details, see "*Risk Factors – Internal Risk Factors – The Proforma Financial Statements are not indicative of our future financial condition or results of operations"* on page 36.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded-off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 143 and 302, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the amounts derived from our Restated Financial Statements.

Currency and Units of Presentation

All references to:

1. "Rupees" or "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India.
2. "US$" or "USD" or "$" are to United States Dollars, the official currency of the United States of America.

Except otherwise specified, our Company has presented all numerical information in this Draft Red Herring Prospectus, in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be, converted into Indian Rupees, at any particular rate, or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Indian Rupee and the respective foreign currency:

(Amount in ₹)

Currency	As on June 30, 2019[(1)]	As on March 31, 2019[(2)]	As on March 31, 2018[(3)]	As on March 31, 2017
1 USD	68.92	69.17	65.04	64.84

(Source: www.rbi.org.in and www.fbil.org.in)

[(1)] Exchange rate as on June 28, 2019, as FBIL Reference Rate is not available for June 29, 2019 being Saturday and June 30, 2019 being a Sunday.
[(2)] Exchange rate as on March 29, 2019, as FBIL Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.
[(3)] Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday.

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Financial Statements may not have been converted using any of the above mentioned exchange rates.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as other industry publications and sources. Further, certain information in "*Industry Overview*" and "*Our Business*" on pages 106 and 143, respectively, of this Draft Red Herring Prospectus has also been obtained or derived from the report titled "*Assessment of the Bakery, Café and Confectioneries Market in India*" dated December 2019 prepared by CRISIL and report titled "*Industry Report – Upper Tier and Upper Midscale Hotels*" dated December 24, 2019 prepared by Horwath HTL which has been commissioned by our Company.

CRISIL has issued the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Apeejay Surrendra Park Hotels Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

Further, Horwath HTL has issued the following disclaimer:

"Crowe Horwath HTL Consultants Pvt. Ltd. (CHHTL) does not accept any liability arising out of reliance by any person or entity on contents of its report, or any information contained in its report, or for any errors or omissions in its report. Any use, reliance or publication by any person or entity on contents of its report or any part of it is at their own risk. In no event shall CHHTL or its directors or personnel be liable to any party for any damage, loss, cost, expense, injury or other liability that arises out of or in connection with this report including, without limitation, any indirect, special, incidental, punitive or consequential loss, liability or damage of any kind.

Our opinions are based on information available to us at the time of preparation of the report and economic, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. Should circumstances change significantly, or additional information become available, after the issuance of this report, the conclusions and opinions expressed herein may require revision. There is no requirement for CHHTL to update this report in any such circumstances. The statements and opinions expressed in this report are made in good faith and in the belief that such statements and opinions are not false or misleading. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in the Industry Report. This Industry Report does not purport to provide all of the information the recipient may require in order to arrive at a decision.

Forward-Looking Statements

This Industry Report contains estimates / projections / outlook and statements that may be regarded as forward-looking statements. These statements are based on a number of assumptions, expectations and estimates which, while considered by us to be reasonable, are inherently subject to significant uncertainties and contingencies many of which are beyond the control of ourselves or Apeejay Surrendra Park Hotels Limited (on whose behalf this report has been prepared) or which may reflect future business decisions which are subject to change. Recipients of this information are advised that the estimates / projections / outlook may be regarded as inherently tentative. Due to the subjective judgments and inherent uncertainties of statements about future events, there can be no *assurance that the future results, or subsequent estimates / projections / outlook will not vary significantly from the estimates / projections / outlook and other statements set out in Industry Report.*

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

Industry publications generally state that the information contained in those publications has been obtained from publicly available documents from various sources believed to be reliable but that their accuracy, timeliness, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by our Company, the Selling Shareholders, our Directors, our Promoters, the BRLMs or any of their respective affiliates or advisors, as may be applicable, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Such data involves risks, uncertainties and numerous assumptions, and is subject to change based on various factors, including those disclosed in "*Risk Factors – Internal Risk Factors – This Draft Red Herring Prospectus contains information from industry reports from certain agencies commissioned by us, including Horwath HTL and CRISIL and such information, has not been independently verified by us*" on page 54. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 98 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor our Directors, our Promoters, Selling Shareholders, the BRLMs have independently verified such information.

Further, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD–LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" "seek to", "shall" or other words or phrases of similar import. Similarly, statements whether made by us or any third parties that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- risks associated with the development of our hotel properties and land banks and delays in the constructions of new buildings or improvements on our properties;
- certain of our hotels being located in buildings and lands which have been leased to us by third parties, and any inability on our part to comply with the terms of the lease agreements, renew our agreements or enter into new agreements;
- seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows;
- large portion of our revenue being realised from certain of our hotels operating in key geographies and any adverse development affecting these hotels or the regions in which they operate;
- our Company, our Subsidiaries, our Directors and our Promoters being involved in certain legal proceedings and any adverse outcome in any of these proceedings; and
- our heavy reliance on our existing brands and any inability on our part to protect brand recognition or guard the value of our intellectual property rights.

For further discussion on factors that could cause our actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 143 and 302, respectively. By their nature, certain market risk related disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Although we believe that the assumptions on which such statements are based are reasonable, we cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the BRLMs will ensure that the investors in India are informed of material developments pertaining to our Company and the Offered Shares from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Each of the Selling Shareholders, severally and not jointly, shall ensure that it will keep the investors informed of all material developments pertaining to its respective portion of the Equity Shares under the Offer for Sale and itself, as Selling Shareholder from the date of the Red Herring Prospectus until receipt of final listing and trading approvals by the Stock Exchanges for this Offer.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the Securities Act, as amended or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. We intend to rely on an exception from the definition of investment company under the U.S. Investment Company Act of 1940, as amended, in connection with this Offer.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive (as defined below), as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulations (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, the Selling Shareholders or any of the Book Running Lead Managers to produce a prospectus for such offer. None of our Company, the Selling Shareholders and the Book Running Lead Managers have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

SUMMARY OF OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections "Risk Factors", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Outstanding Litigation and Material Developments" on pages 27, 79, 90, 106, 143 and 341, respectively.

Summary of Business

We are one of India's top 10 hospitality companies in the upscale segment and we have pioneered the concept of luxury boutique hotel in India under "THE PARK" brand, according to the Horwath HTL Report. We own and manage hotels for over 50 years under "THE PARK, "THE PARK Collection" and "Zone by The Park". We also operate "*Flurys*", which offers confectionery, bakery and breakfast across 40 outlets. According to Horwath HTL, "THE PARK" hotels recorded an occupancy rate of 90% for the financial year 2019, which is significantly higher than the average occupancy rate of 67% in the upscale segment.

Summary of Industry

India's hotel sector enjoyed strong business from the financial year 2005 through the initial months of the financial year 2009. About 18,500 rooms were added in the financial year 2010 and the financial year 2011. For each of the next four years, an average of under 11,000 rooms were added. The pace of supply addition had then slowed with an average of 8,800 rooms per year until the end of the financial year 2019. Supply growth is likely to regain momentum, with expected addition of about 11,000 rooms in each of the financial years 2021, 2022 and 2023.

Our Promoters

Our Promoters are Karan Paul, Priya Paul, Apeejay Surrendra Trust (through its Trustee(s)) and Flury's Swiss Confectionery Private Limited ("**Flury's Swiss Confectionery**"). For details, see "*Our Promoters and Promoter Group*" on page 196.

Offer Size

Offer	Up to [●] Equity Shares aggregating up to ₹ 10,000 million
of which	
Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹ 4,000 million
Offer for Sale(1)(2)	Up to [●] Equity Shares aggregating up to ₹ 6,000 million
of which:	
Employee Reservation Portion(3)(4	Up to [●] Equity Shares aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

(1) *The Offer has been authorized by a resolution of our Board dated December 21, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated December 23, 2019. For details on authorization of the Selling Shareholders in relation to the Offer, please see "Other Regulatory and Statutory Disclosures" on page 352.*

(2) *The Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered by each of them are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Pursuant to (i) consent letter dated December 21, 2019 from the Promoter Selling Shareholder and resolution of the Board of Trustees of the Promoter Selling Shareholder dated December 21, 2019; (ii) resolution of the board of directors of the Promoter Group Selling Shareholder 1 dated December 21, 2019, read with consent letter dated December 21, 2019; (iii) resolution of the board of directors of the Promoter Group Selling Shareholder 2 dated December 21, 2019, read with consent letter dated December 21, 2019, read with consent letter dated December 21, 2019; and (iii) resolutions both dated December 26, 2019 passed by the respective board of directors of the Investor Selling Shareholders, read with respective consent letters both dated December 26, 2019, the Selling Shareholders have approved and consented to participate in the Offer for Sale.*

(3) *The Offer includes a reservation of up to [●] Equity Shares (constituting up to [●]% of our post-Offer paid-up Equity Share capital) aggregating up to ₹ [●] million, for subscription by Eligible Employees at a discount of up to [●]% (equivalent to ₹ [●]) on the Offer Price. The Offer and the Net Offer shall constitute [●] % and [●] %, respectively, of the post-Offer paid-up Equity Share capital of our company.*

For details, see "*Offer Structure*" on page 368.

Objects of the Offer

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ million)

Particulars	Amount
Repayment/ prepayment of certain borrowings availed by our Company	3,000
General corporate purposes*	[●]
Net Proceeds	[●]

* *The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

Pre-Offer Shareholding of our Promoters, Promoter Group and Selling Shareholders

As on the date of the Draft Red Herring Prospectus, the pre-offer shareholding of our Promoters, Promoter Group and Selling Shareholders is as follows:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
(A) Promoters			
1.	Karan Paul	100	Negligible
2.	Priya Paul	Nil	Nil
3.	Apeejay Surrendra Trust (through its Trustee)	30,002,400	17.18
4.	Flury's Swiss Confectionery	52,500,000	30.06
Total (A)		**82,502,500**	**47.24**
(B) Promoter Group			
1.	Apeejay Engineering Private Limited	14,500,000	8.30
2.	Apeejay Agencies Private Limited	14,500,000	8.30
3.	Apeejay House Private Limited	14,500,000	8.30
4.	Apeejay Private Limited	34,497,500	19.75
Total (B)		**116,996,250**	**44.65**
Total (A+B)		**160,500,000**	**91.89**
(C) Selling Shareholders			
1.	Apeejay Surrendra Trust (through its Trustee)	30,002,400	17.18
2.	Apeejay Private Limited	34,497,500	19.75
3.	Apeejay House Private Limited	14,500,000	8.30
4.	RECP IV Park Hotel Investors Ltd*	13,666,100	7.82
5.	RECP IV Park Hotel Co-Investors Ltd*	495,660	0.28
Total (C)		**93,161,660**	**53.33**

* *Pursuant to the Share Transfer Agreement entered between the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**") and the Promoters, the Investors shall transfer 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares to the Promoters or any of its affiliates (as indicated by Promoters), within 45 days of the Promoter Entitlement Date i.e., December 23, 2019. For details, see "History and Certain Corporate Matters" on page 169.*

Summary Table of Financial Information

Particulars	As at June 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Equity share capital (in ₹ million)	174.66	174.66	174.66	188.82
Net worth at the end of the period/year[1] (in ₹ million)	5,849.68	5,873.41	5,786.16	6,184.13
Total Income (in ₹ million)	997.21	4,309.50	3,883.86	3,706.23
Restated profit/(loss) for the period/year (in ₹ million)	(18.32)	97.16	(78.99)	103.19
Restated earnings per equity share (Basic) (in ₹)[#]	(0.10)[2]	0.56	(0.43)	0.54
Restated earnings per equity share (Diluted) (in ₹)[#]	(0.10)[2]	0.56	(0.43)	0.54
Net asset value per Equity	33.49	33.63	31.33	32.75

Particulars	As at June 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Share[3] (in ₹)[#]				
Total borrowings[4] (in ₹ million)	4,961.30	4,853.86	4,767.78	4,524.15

1. *Net Worth is derived from the Restated Financial Statements and is computed as the sum of the aggregate of paid up equity share capital and all reserves excluding foreign currency translation reserve and does not include non-controlling interests. For details and reconciliation with the Restated Financial Statements, see "Other Financial Information" on page 294.*
2. *Basic EPS and diluted EPS for the three month period ended 30 June, 2019 are not annualized.*
3. *Net asset value per equity share is derived from the Restated Financial Statements and is calculated as net worth at the end of period/year divided by the weighted average number of equity shares outstanding at the end of the period/year. For details and reconciliation with Restated Financial Statements, see "Other Financial Information" on page 294.*
4. *Total borrowings includes sum of current borrowings and non-current borrowings (including current maturities of long term borrowings).*

\# *Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of ₹ 10 each has been split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹1 each. The calculation of Net Asset Value per Equity Share, and basic and diluted EPS, have been considered considering the impact of share split as stated above.*

Qualifications of the Auditors

The examination reports of our Statutory Auditors on the Restated Financial Statements do not contain any qualifications by our Statutory Auditors requiring adjustments to Restated Financial Statements.

Summary table of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Promoters and Directors as on the date of this Draft Red Herring Prospectus is set out below:

Type of Proceedings	Number of cases	Amount[(1)] (₹ in million)
Litigation against our Company		
Criminal proceedings	2	Nil
Tax matters	21	912.90
Actions by statutory or regulatory authorities	4	94.01
Other outstanding material litigation*	Nil	Nil
Total	**26**	**1,006.91**
Litigation by our Company		
Criminal proceedings	4	5.04
Tax matters	Nil	Nil
Other outstanding material litigation*	2	27.10
Total	**6**	**32.14**
Litigation against our Promoters		
Criminal matters	Nil	Nil
Tax matters	Nil	Nil
Actions by statutory/ regulatory authorities	Nil	Nil
Other outstanding material litigation*	1	15.68[##]
Disciplinary action, outstanding or taken including penalty imposed by SEBI or Stock Exchanges in the last five Fiscals	Nil	Nil
Total	**1**	**15.68**
Litigation by our Promoters		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation against our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation by our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Other outstanding material litigation*	Nil	Nil

Type of Proceedings	Number of cases	Amount[(1)] (₹ in million)
Total	**Nil**	**Nil**
Litigation against our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation by our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**

(1) *To the extent quantifiable.*
** Based on the Materiality Policy.*
This excludes the occupational charges that Flury's Swiss Confectionery, our Promoter, has been held to be liable to pay, by various judicial fora, in the course of proceedings of a material outstanding litigation (in terms of the Materiality Policy) against Flury's Swiss Confectionery, This litigation has not been transferred to our Company, and does not form part of the Business Transfer Agreement, since it is not related to the confectionery business of Flury's which has been transferred to our Company as per the Business Transfer Agreement. For further details of this litigation, including the changes in the rates at which Flury's Swiss Confectionery has been held liable to pay occupational charges by various judicial fora, please see "Outstanding Litigation and Material Developments–Litigation involving our Promoters – Litigation against our Promoters – Other material outstanding litigation against our Promoters" on page 344.

For details, see "*Outstanding Litigation and Material Developments*" on page 341.

Risk Factors

Specific attention of the Investors is invited to the section "*Risk Factors*" on page 27. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of Contingent Liabilities of our Group (net of provision)

As of June 30, 2019, our contingent liabilities, as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for are as set out in the table below:

(*₹ in million*)

Particulars	Amount
Claims against the Group not acknowledged as debt	
Disputed tax and duty for which the Group has preferred appeals before appropriate authorities	
Demand for land tax	3.11
Demand for entertainment tax	8.06
Demand for service tax	56.61
Demand for property tax	706.29
Guarantees	
Bank guarantees given to customs and other authorities	17.80
Corporate guarantee given by the Group on behalf of subsidiary	3.78

For details of such contingent liabilities as per Ind AS 37, see *"Financial Statements – Annexure XXXV – Restated Ind AS Consolidated Summary of Information relating to contingent liabilities (net of provision)"* on page 263.

Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from Restated Financial Statements, are as follows:

(*In ₹ million*)

Name of Related Party	Nature of transaction	For the three months period ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017

Name of Related Party	Nature of transaction	For the three months period ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Particulars of transactions with related parties during the period					
Flury's Swiss Confectionery Private Limited	Purchase of confectionery etc.	1.00	5.13	6.63	8.12
	Sale of services	0.10	0.21	0.23	0.19
	Royalty	-	*	0.07	0.10
	Recovery of expenses	-	0.86	0.93	-
	Reimbursement of expenses	0.10	0.62	1.16	0.40
Apeejay Charter Private Limited#	Hiring charges	0.33	0.14	0.54	-
Apeejay Hotels & Restaurants Private Limited#	Loan given	10.00	19.99	0.47	-
	Investment	-	-	0.10	-
Vijay Dewan	Managerial remuneration - Short-term employment benefits	9.20	38.63	30.60	28.97
	Managerial Remuneration Post-employment gratuity and leave	0.30	1.15	1.27	4.83
Atul Khosla	Managerial remuneration - Short-term employment benefits	3.20	17.53	11.70	-
	Managerial Remuneration Post-employment gratuity and leave	0.40	1.54	1.33	-
Shalini Keshan	Managerial remuneration - Short-term employment benefits	0.44	1.60	1.60	-
	Managerial Remuneration Post-employment gratuity and leave	*	0.40	0.40	-
Priya Paul	Sitting Fees	*	*	*	*
Karan Paul		*	*	*	*
Francis H Dykman		-	-	*	*
Ashoke Ghosh		*	*	*	*
Suresh Kumar		*	*	*	-
Ashok Narain Mathur		-	-	*	0.05
Pranab Kumar Choudhury		-	-	-	0.06
Debanjan Mandal		*	*	*	*
(B) Balances outstanding with related parties as at the period end					
Flury's Swiss Confectionery Private Limited	Trade receivables	-	-	0.09	0.06
	Advance to suppliers	0.44	0.44	0.44	1.31
	Trade payables	6.50	6.90	4.53	5.85
Apeejay Charter Private Limited#	Corporate guarantee	-	-	8.38	8.38
	Investments	0.05	0.10	0.10	0.05
Apeejay Hotels & Restaurants Private Limited#	Loans given	0.10	19.99	-	-
	Investments	29.92	0.10	0.10	-
	Corporate guarantee	0.13	0.13	-	-
Investments in Apeejay Tea (Panama) Inc (up to March 27, 2019)#		-	-	*	*

* *Below rounding off norms*
 # Included as per SEBI ICDR Regulations

For details of the related party transactions, see "*Related Party Transactions*" on page 202.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, directors of our corporate Promoters, members of our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by each of our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Our Promoters and the Selling Shareholders have not acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Average Cost of Acquisition

The average cost of acquisition per Equity Share to our Promoters and the Selling Shareholders as on date of this Draft Red Herring Prospectus, is as follows:

Name of Promoter/Selling Shareholders	Number of Equity Shares of ₹ 1 each	Average cost of acquisition (in ₹)*
Karan Paul	100	0.40
Apeejay Surrendra Trust (through its Trustee)	30,002,400	0.61
Flury's Swiss Confectionery Private Limited	52,500,000	0.08
Apeejay Private Limited	34,497,500	0.75
Apeejay House Private Limited	14,500,000	0.40
RECP IV Park Hotel Investors Ltd	13,666,100	77.67
RECP IV Park Hotel Co-Investors Ltd	495,660	77.67

** As certified by S.K. Mittal & Co., Chartered Accountants by their certificate dated December 27, 2019.*

*#Pursuant to the scheme of amalgamation of Apeejay Hotels Delhi (our then holding company) and Gemini Hotels (a wholly-owned subsidiary of Apeejay Hotels Delhi) with our Company ("**Scheme**"), the entire shareholding of our Company held by Apeejay Hotels Delhi was cancelled and the average cost of acquisition has been computed from the effective date of the Scheme i.e. November 28, 2003.*

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split or Consolidation of Equity Shares in last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus:

Date of Split	Particulars
October 25, 2019	Each equity share of face value of ₹10 each was split into ten equity shares of face value of ₹ 1 each

For details, see "*Capital Structure – Share capital history of our Company*" on page 79.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are not the only ones relevant to us or our Equity Shares but also includes the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or a combination of risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could be adversely affected, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 143, 106 and 302 respectively of this Draft Red Herring Prospectus, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 19.

Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Summary of Financial Information" on page 64.

Internal Risk Factors

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

   As of June 30, 2019, our hotel development pipeline consists of the expansion of two of our owned hotels and construction of a new hotel, representing 380 rooms. As part of our future development plans, we intend to monetize our land bank at Jaipur and construct a mixed used hotel and commercial complex at EM Bypass Kolkata. We may also acquire more owned hotels. Our operation in these hotels could present operating, marketing, financial and legal challenges that may be different from those that we currently encounter in our existing operations. Further, for development of hotels in new geographies, we may or may not be able to respond to customer requirements as compared to our competitors. There can be no assurance that we will succeed in implementing our expansion strategy to become more accessible to our targeted customer segments. If we are not successful in implementing our expansion strategy effectively, we may be unable to expand our operations and increase our revenues and profits and may have a material adverse effect on our business, results on operations, reputation and financial condition. See "*Our Business — Overview*" and *"Our Business — Strategy"* on pages 143 and 148.

   The development and construction of real estate projects are subject to inherent development risks, including:

   - the identification of, conducting diligence on and ascertaining title rights associated with suitable strategically located properties and the acquisition of such properties on favourable terms;
   - competition from other real estate owner and developers, which may increase the purchase price of a desired property;

- insufficient cash from operations, or an inability to obtain the necessary debt or equity financing on satisfactory terms, to consummate an acquisition or a development project;
- availability, terms and conditions associated with and timely receipt of zoning and other regulatory approvals, denial of which could delay or prevent placing a hotel into operation;
- changes in laws and rules with respect to hotel development;
- the cost and timely completion of construction (including unanticipated risks beyond our control, such as weather conditions or labour suspension, shortages of materials or labour and construction cost overruns);
- our dependency on the third parties such as building contractors, interior contractors and designers, whom we contract to construct our hotels or commercial projects, including their ability to meet construction timing, quality and budget expectations;
- design or construction defects that could result in additional costs associated with repair, delay or the closing of part or all of a property during such repair period
- the resulting lack of capitalization on any alternative investments or development opportunities which we abandon; and
- the ability to achieve an acceptable level of occupancy or tenancy upon completion of construction.

In the event that we experience delays in the delivery of the construction works and design and engineering services for our new buildings or improvements for our existing buildings or if our contractors fail to comply with their obligations under their respective agreements, we will not be able to start operations until completion of the construction of new buildings or improvements on our existing properties. For example, THE PARK Hyderabad was delayed for approximately one year from the estimated date of completion. Further, the consents and approvals which we may require to develop and construct our hotels may impose conditions with respect to the height, number of rooms or leasable area, security features and other operational aspects of our hotels. These risks could result in substantial unanticipated delays or expenses as well alteration to the design and operational parameters of our properties. Under certain circumstances, these risks could prevent completion of development or redevelopment projects once undertaken, resulting in capital expenditure incurred and investments which may make the project less profitable than originally estimated, or not profitable at all, and therefore have an adverse effect on our business, results of operations, financial condition and cash flows.

2. ***Certain of our hotels are located in buildings and lands which have been leased to us by third parties. If we are unable to comply with the terms of the lease agreements, renew our agreements or enter into new agreements, our business, results of operations, financial condition and cash flows may be adversely affected.***

As of June 30, 2019, two of our hotels were located on leased or licensed land, representing 123 rooms in aggregate**.** Further, as of June 30, 2019, we have one hotel on leased land under development, representing 24 rooms under development. The period of the lease for the buildings in which our owned hotels are situated ranges from 5 to 30 years.

We cannot assure you that we will be able to fully comply with all the terms of the lease deeds or license agreements which we have entered into in relation to such hotels, renew such agreements or enter into new agreements in the future, on terms favorable to us, or at all.

For example, pursuant to a lease deed dated August 8, 2007, executed by and between the Jaipur Development Authority ("**JDA**") and the Company, the JDA granted leasehold rights in favour of the Company. The JDA has, from time to time, sent letters/notices directing the Company to clear its dues of annual lease rent for the period starting from the year 2008 onwards. The JDA last issued a notice to our Company on December 12, 2019 under Sections 256 and 257 of the Rajasthan Land Revenue Act, 1956, raising a demand for outstanding dues of annual rent aggregating up to ₹22.13 million, coupled with interest payable amounting to approximately ₹17.82 million. For details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company - Litigation against our Company - Actions by statutory or regulatory authorities*" on page 342.

There can be no assurance that our lease deed will not be terminated, which could therefore have an adverse effect on our business, results of operations and financial condition.

In the event that any lease deed or license agreement for our hotels is terminated due to our non-compliance with its terms, or not renewed, we will be unable to utilise such hotels and we may be unable to benefit from the existing capital expenditure and investments made by us in such hotels. Further, we may be required to expend time and financial resources to locate suitable land or hotels to set up alternate hotels. We may also be unable to relocate a hotel to an alternate location in a timely manner, or at all, and we cannot assure you that a relocated hotel will not require significant expenditure or be as commercially viable.

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

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

The hotel and hospitality industry in India is subject to seasonal variations. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the guests served. Seasonality, particularly in terms of summer and winter variations, can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings, and such variations are more apparent in the leisure locations. Further, the timing of opening of newly constructed hotels and the timing of any hotel acquisitions or dispositions may also cause a variation of revenue and earnings. Further, the hospitality industry is subject to weekly variations as well. Since leisure travel increases during weekends, business travel is high during the weekdays.

Further, the hospitality industry is cyclical, and demand generally follows key macroeconomic indicators. The combination of changes in economic conditions which affects the demand of the hotel rooms in a location and the supply of hotel rooms at any given period of time, including periods of excess supply, can result in significant volatility in our results. Further, the hospitality industry is cyclical and demand generally follows, on a lagged basis, to the key macroeconomic indicators. As a result of such seasonal and cyclical fluctuations, our room rates, sales and results of operations of a given period of the financial year may not be reliable indicators of the sales or results of operations of the remaining period of the financial year or of our future performance and our past financial results may not be indicators of the sales or results of operations of our future performance.

The retail food and beverage industry is also subject to seasonal fluctuations as a result of increased demand during weekends and festive seasons. For example, our sales are usually the highest from October to February. As a result of such seasonal and cyclical fluctuations, sales and results of operations of a given period of the financial year may not be reliable indicators of the sales or results of operations of the remaining period of the financial year or of our future performance and our past financial results may not be indicators of the sales or results of operations of our future performance.

4. ***A large portion of our revenue is realised from certain of our hotels operating in key geographies and any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business.***

During the year ended March 31, 2019 and the three months period ended June 30, 2019, we derived 88.09% and 85.43% of our consolidated revenue respectively from THE PARK Kolkata, THE PARK New Delhi, THE PARK Hyderabad, THE PARK Chennai and THE PARK Bangalore. We heavily depend upon revenue derived from certain of our hotels and we intend to continue to increase our presence and market share in India in the future. The table sets out the percentage of revenue contributed by each of our hotels for the years ended March 31, 2017, 2018 and 2019, and the three months period ended June 30, 2019:

	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
THE PARK Kolkata	28.00%	24.95%	24.22%	22.50%

	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
THE PARK New Delhi..............................	18.01%	20.61%	21.10%	21.49%
THE PARK Hyderabad..............................	17.60%	19.81%	21.25%	18.37%
THE PARK Chennai..................................	14.93%	15.30%	13.85%	18.45%
THE PARK Bangalore...............................	6.9%	7.43%	7.79%	7.53%

We are subject to risks inherent in concentrating our operations in certain geographic locations. These risks include, among other things:

- lack of improvement or worsening of economic conditions in India;
- changes in local regulations and policies;
- inconsistency between demand and supply for hotels;
- reduction in the number of tourists visiting the location;
- natural calamities or civil disruptions in the locations of these hotels;
- requirement of higher capital expenditure and funding; and
- increase in competition from other hotels.

5. *Our Company, our Subsidiaries, our Directors and our Promoters are involved in certain legal proceedings. An adverse outcome in any of these proceedings may adversely affect our profitability, reputation, business, results of operations, financial condition and cash flows.*

In the ordinary course of our business, Our Company, our Subsidiaries, our Directors and our Promoters (the "**Relevant Parties**") are involved in certain legal proceedings, which are pending at varying levels of adjudication before different forums. The summary of the outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving the Relevant Parties. Based on the Materiality Policy, any pending litigation involving the Relevant Parties, other than criminal proceedings, outstanding statutory and regulatory actions and taxation matters, shall be considered material if the aggregate monetary amount of the claim by or against the Relevant Parties (individually or in aggregate) in any such outstanding litigation is in excess of ₹ 10.77 million (being 0.25 % of ₹ 4309.50 million, i.e. our total income in Fiscal 2019 as derived from the Restated Financial Statements), or ₹ 10 million, whichever is lower; and any other pending litigation, wherein the monetary liability is not quantifiable, but an adverse outcome of which would materially and adversely affect the business, operations, financial position or reputation of our Company, shall be considered as material; and any other pending matters, wherein the monetary liability is not quantifiable, but an adverse outcome of which would materially and adversely affect the operations or the financial position of our Company, shall be considered as material.

A summary of the proceedings involving our Company, our Subsidiaries, Directors and Promoters is provided below:

Type of Proceedings	Number of cases	Amount[(1)] (₹ in million)
Litigation against our Company		
Criminal proceedings	2	Nil
Tax matters	21	912.90
Actions by statutory or regulatory authorities	4	94.01
Other outstanding material litigation*	Nil	Nil
Total	**26**	**1,006.91**
Litigation by our Company		
Criminal proceedings	4	5.04
Tax matters	Nil	Nil
Other outstanding material litigation*	2	27.10
Total	**6**	**32.14**
Litigation against our Promoters		
Criminal matters	Nil	Nil
Tax matters	Nil	Nil
Actions by statutory/ regulatory authorities	Nil	Nil
Other outstanding material litigation*	1	15.68[##]

Type of Proceedings	Number of cases	Amount[(1)] (₹ in million)
Disciplinary action, outstanding or taken including penalty imposed by SEBI or Stock Exchanges in the last five Fiscals	Nil	Nil
Total	**1**	**15.68**
Litigation by our Promoters		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation against our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation by our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation against our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**
Litigation by our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Tax matters	Nil	Nil
Other outstanding material litigation*	Nil	Nil
Total	**Nil**	**Nil**

(1) *To the extent quantifiable.*

** Based on the Materiality Policy.*

This excludes the occupational charges that Flury's Swiss Confectionery, our Promoter, has been held to be liable to pay, by various judicial fora, in the course of proceedings of a material outstanding litigation (in terms of the Materiality Policy) against Flury's Swiss Confectionery, This litigation has not been transferred to our Company, and does not form part of the Business Transfer Agreement, since it is not related to the confectionery business of Flury's which has been transferred to our Company as per the Business Transfer Agreement. For further details of this litigation, including the changes in the rates at which Flury's Swiss Confectionery has been held liable to pay occupational charges by various judicial fora, please see "Outstanding Litigation and Material Developments–Litigation involving our Promoters – Litigation against our Promoters – Other material outstanding litigation against our Promoters" on page 344.

For details, see "*Outstanding Litigation and Material Developments*" on page 341. Our Company, our Subsidiaries, our Directors and our Promoters are, and may in the future be, party to litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects.

6. ***We rely heavily on our existing brands. Our inability to protect brand recognition or guard the value of our intellectual property rights may adversely affect our business.***

We intend to continue to develop and increase the value of our brands including "THE PARK", "THE PARK Collection", "Zone by The Park" and '*Flurys*'. We own the registered name and mark "THE PARK" under various classes under the Trade Marks Act, 1999. We also use various trade marks as part of our food and beverage and product offerings, which include Zen, Someplace Else, Tantra, Roxy, iBar, The Leather Bar, Pasha and Aqua, and our spa and wellness offering, "Aura". As on date of this Draft Red Herring Prospectus, we have 142 registered trade marks and 67 trade marks which are pending registration under the Trade Marks Act, 1999. For instance, our applications for registration of our trade marks including 'Zone by The Park', 'Aura', 'I-Bar', 'The Leather Bar' and 'Yantra' are currently pending. Further, the applications for registration of some of the trademarks used by us have been opposed, objected or refused. There can be no assurance that our applications for registration of these trademarks will be approved by the Trade Marks Registry in a timely manner, or at all.

For details, see "*Government and Other Approvals*" on page 347.

We believe that brand awareness, image and loyalty are critical to our ability to achieve and maintain high average occupancy and average room rates, and to support the larger number of hotels that we intend to operate and manage. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives is important to increase our revenues, grow our existing market share and expand into new markets. In addition, the *'Flurys'* trademark is important to our brand-building efforts and the marketing of our food and beverage retail outlets and concepts. In the event that we fail to provide the service levels, the facilities and the experience of our hotels promised by our marketing programmes, or maintain the quality of our product offerings at our retail food and beverage outlets, the value of our brands could be diminished, which would have a material adverse effect on our business, financial condition, profitability and results of operations.

Our success will also depend on our awareness of and our ability to prevent third parties from using our brands without our consent, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our trademarks. For example, our trademarks "THE PARK" (word mark) and THE PARK (logo) were being infringed by Lodha Developers Limited, pursuant to which we obtained an injunction from the High Court of Delhi at New Delhi on April 2, 2019 for the use of our mark. There have been instances in the past whereby certain entities have applied for the registration of trade marks similar to our existing trademarks. While we have initiated opposition proceedings against such applications, we cannot assure the outcome of these proceedings. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands including our restaurant brands could be harmed. The application of laws governing intellectual property rights in India is uncertain and evolving, and we could incur substantial costs in pursuing any claims relating to our trademarks. Issues relating to intellectual property rights can be complicated and there is no assurance that disputes will not arise or that any disputes in relation to our trademarks will be resolved in our favour.

We may be susceptible to claims from third parties asserting infringement and other related claims. In the event that any third party alleges proprietary rights over such brands and trademarks, we may be exposed to legal proceedings brought against us in respect of its use of the brands and trademarks. These legal proceedings may result in monetary losses and may prevent us from further using such brands and trademarks. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain product offerings. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

We do not own the trademark and logo associated with the "Apeejay" and "Apeejay Surrendra" brand name which we use in the course of our business operations which are registered with ASMSL. We have entered into a Brand Usage and Service Agreement with Apeejay Surrendra Management Services Private Limited on December 23, 2019, for licensed use of the "Apeejay" and "Apeejay Surrendra" trademarks and the logo " APEEJAY SURRENDRA ". See "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 173. Accordingly, we enjoy limited legal protection and ability to use the trademark and any claims by third parties relating to such trademark may affect our ability to use such trademark. In the event that the Brand Usage and Service Agreement is terminated or is not renewed or extended in the future, we may not be entitled to use the brand name "Apeejay" and "Apeejay Surrendra" and the associated mark in connection with our business operations. Consequently, we will not be able to derive the goodwill that we have been enjoying under the "Apeejay" and "Apeejay Surrendra" brand, which could materially and adversely affect our business, financial condition and the results of our operations. Further, if the commercial terms and conditions including the consideration payable pursuant to the license agreement are revised unfavourably, we may be required to allocate larger portions of our profits and/or revenues towards such consideration, which would adversely affect our profitability.

7. ***Our inability to provide required quality of service including service provided by third parties may lead to adverse impact on the reputation of our hotels or a failure of quality control systems***

at our hotels could adversely affect our business, results of operations, financial condition and cash flows.

The performance and quality of services at our hotels are instrumental to the success of our business and brand name. As we operate in the luxury boutique hotel segment, we are expected to provide high levels of service quality which our customers tend to associate with our brand name. Any incident where our hotels lack, or are perceived to lack, such standards may adversely affect our reputation. Our quality standards depend significantly on the effectiveness of quality control systems and standard operating procedures. Any decrease in the quality of services rendered at our hotels including due to reasons beyond our control or any third party service provider, including but not limited to non-compliance with the terms and conditions set out in the agreements or arrangements with such third party service providers, or allegations of defects, even when false, at any of our hotel properties could tarnish the image of our hotels, result in negative reviews and feedback from our guests on online travel portals and may cause guests to choose the services of our competitors.

We are also dependent on third party service providers for providing some of the services to our guests such as contract labour, security, house-keeping and laundry, among others, and any failure or deficiency on the part of such service providers may adversely affect our hotels' reputation and profitability. Any adverse development or decline in quality involving our hotels may impair our reputation, dilute the impact of branding and marketing initiatives and adversely affect our business, results of operations, financial condition and cash flows.

8. ***We enter into hotel operation and management agreements to render operation and marketing services in relation to our managed hotels and are subject to risks related to such hotel operation and management agreements. Our operations and management agreements contain certain restrictive provisions.***

As of June 30, 2019, 13 of our hotels, representing 713 rooms, were operated by us pursuant to hotel operation and management agreements. We enter into hotel operation and management agreements with owners of hotels to render operation and marketing services. The term of such agreements typically ranges from 10 to 20 years, but the parties are entitled to early termination without cause, subject to payment of certain termination fees. In addition, our hotel operation and management agreements grant early termination rights to hotel owners upon the occurrence of certain events, such as our failure to meet specified performance tests based upon the hotel's financial and operational criteria. Our ability to meet such financial and operational criteria is subject to, among other things, risks common to the overall hotel industry, such as an inability to attract customers or face competition effectively, which may be outside our control. In addition, we may be required to indemnify hotel owners including for the breach of terms, covenants or performance of our obligations, under such operation and management agreements.

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

In addition, necessary permits, approvals and licenses for our managed hotels are generally obtained in the name of the hotel owner. We rely on the cooperation and assistance of such hotel owners to apply for and renew such permits, approvals and licenses. For example, the operationalisation of THE PARK Mumbai was delayed for approximately six months from the estimated date of completion owing to a delay in the receipt of approvals from the relevant governmental authorities. We cannot assure you that the hotel owners will continue to extend cooperation and assistance in a timely manner, or at all. In the event any of our managed hotels are deemed to be in default of any applicable law on this account, it may have an adverse impact on our business. Such instances may lead to indemnity claims disputes or legal proceedings between us and the hotel owners. We cannot assure you that we can compel the hotel owners to act in accordance with the provisions of our hotel operation and management agreements, or successfully claim indemnity in case of any breach of their obligations to us.

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

We intend to further expand our operations in the future through operation and management agreements. We intend to open 10 additional managed hotels, representing 840 rooms as of June 30, 2019. The success of this strategy will depend on our ability to maintain relationships with hotel owners. Consequently, our inability to maintain, renew and enter into additional hotel operation and management agreements may have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, under certain operation and management agreements, we have agreed to non-compete obligations which prevent us from opening or operating a hotel in the same city or a restricted radius not exceeding 10 kms from the hotel that we are managing during the term of the agreement, without the prior written consent of the hotel owner. As a result of such restrictions, we may be unable to pursue development or acquisition opportunities that could be beneficial to us, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

9. ***We are reliant on effective marketing and branding strategies and any negative publicity on our brands could have an adverse effect on our reputation, business, results of operation and financial condition.***

We rely on our brand recognition as well as our marketing and branding strategies to expand our customer base and increase our market share in the cities which we operate. We may not be able to successfully formulate and implement strategies to promote our brands in the future. We cannot assure you that any new hotel or food and beverage brands launched by us will be accepted by hotel owners or customers or that we will be able to recover costs incurred in developing such brands. If we fail to successfully promote our brands or implement our marketing and branding strategies or our new brand, products and services are not as successful as we anticipate, it could have a material adverse effect on our business, financial condition and results of operations.

Any degradation or adverse market developments relating to our brand names or any negative publicity affecting one or more of our properties could adversely affect our results of operations.

The success and continued growth of our business is also dependent on our ability to establish effective marketing strategies to maintain and increase our customer base, to capture a bigger market share and increase our turnover. Any misjudgement in assessing our customers’ needs and changes in its customers’ preferences could result in loss of sales. In such event, our profitability will be adversely affected.

10. ***Certain of our hotels are mortgaged with lenders. Failure to comply with the terms of the mortgage agreements could adversely affect our business, results of operations, financial condition and cash flows.***

As of June 30, 2019, three of our hotels, THE PARK Kolkata, THE PARK Hyderabad and THE PARK Bangalore were mortgaged as collateral to financial institutions pursuant to financing agreements, representing 521 rooms in aggregate. Pursuant to the terms of the financing agreements and mortgage agreements, we are required to comply with certain covenants and payment obligations. In the event that any security is enforced due to our non-compliance with the terms of the financing agreements and/or the mortgage agreements, we may be unable to utilise such hotels and our business, results of operations, financial condition and cash flows could be adversely affected.

11. ***Changes in travellers' preferences due to increased use of telepresence equipment and other factors may adversely affect the demand for hotel rooms.***

The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without travelling to a centralized meeting location, such as our hotels. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms or our conferencing and meeting facilities may decrease from business travellers and corporate customers. Similarly, changes in domestic tourism and preferences of our guests due to evolving cost of travel, spending habits and consumption patterns may lead to a change in the perceived attractiveness of our hotels, services, the locations at which are hotels are situated. Such changes may impact the demand for our hotel rooms from domestic tourists and guests at our leisure hotels, and our business may be adversely affected. We derive a significant portion of our revenue from international business and leisure customers, and the loss of such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition and cash flows.

We derive a significant portion of our revenue from international business and leisure customers, including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks. Consequently, any reduction in growth or a slow-down in the business of such international business and leisure customers, could result in a reduction of their requirement for our services. Similarly, changes in business spending and preferences of our international business and leisure customers due to evolving cost of travel, spending habits and budgeting patterns may lead to a change in the perceived attractiveness of our hotels and services. Currently, a majority of our hotels are located at important business and financial hubs of India, however in the future such business hubs may shift, within a city or interstate, and as a result our hotel locations may not be as attractive to business travellers and corporate customers.

We cannot assure you that we will be able to maintain historic levels of business from international business and leisure customers in the future. The loss of a significant number of international business and leisure customers coupled with our inability to acquire any such new customers, or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

12. ***Some of our corporate records are not traceable.***

Certain corporate records and regulatory filings made by our Company, including the forms filed by our Company with the RoC between the date of incorporation i.e., November 27, 1987 and November 28, 2003 in relation to allotments of Equity Shares made by our Company, and the share transfer forms for the transfer of equity shares made by certain shareholders of the Company to the Apeejay Surrendra Trust on February 7, 2005 are not traceable. While we have conducted an extensive search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents. Given that the entire share capital of the Company was cancelled pursuant to the scheme of amalgamation among our Company, Gemini Hotels and Apeejay Hotels Delhi, the build-up of our share capital has been disclosed from the effective date of the scheme being November 28, 2003. We have relied on other documents, including minutes of meetings of our board of directors, our statutory registers of members and audited financial statements of the Apeejay Surrendra Trust for Fiscal 2005 in relation to the details of the transfer to the Apeejay Surrendra Trust on February 7, 2005. We cannot assure you that the above mentioned records will be available in the future. We cannot assure you that we will not be subject to proceedings initiated against any authority (including the RoC) in this respect.

13. ***Our Statutory Auditors have included certain comments in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2003 (as amended).***

The independent auditors' report dated September 30, 2019 of S.R. Batliboi & Co LLP on the audited standalone financial statements as at and for the year ended March 31, 2019 included a statement on certain matters specified in the Companies (Auditor's Report) Order, 2016, which indicated the following qualifications:

- registration of title deeds of certain immovable properties acquired during the scheme of amalgamation in prior years were in progress;
- there were undisputed statutory dues including provident fund, employees' state insurance, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, which had generally been regularly deposited with appropriate authorities although there had been slight delays in a few cases and there was significant delay in depositing goods and service tax with the appropriate authorities;
- goods and service tax and provident fund dues were outstanding at the year end for a period of more than six months from the date they became payable; and
- certain term loans were utilised for the purpose other than stipulated in loan agreement such as of giving inter-corporate deposits pending utilisation of loan proceeds for the purpose for which the loan was obtained.

The independent auditors' report dated September 26, 2018 of S.R. Batliboi & Co LLP on the audited standalone financial statements as at and for the year ended March 31, 2018, included a statement on certain matters specified in the Companies (Auditor's Report) Order, 2016, which indicated the following qualifications:

- registration of title deeds of certain immovable properties acquired during the scheme of amalgamation in prior years were in progress; and
- there were undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, which had not been regularly deposited with appropriate authorities and there were serious delays in a large number of cases.

The independent auditors' report dated September 21, 2017 of Price Waterhouse & Co. Bangalore LLP on the audited standalone financial statements as at and for the year ended March 31, 2017, included a statement on certain matters specified in the Companies (Auditor's Report) Order, 2016, which indicated the following comments:

- registration of title deeds of certain immovable properties acquired during the scheme of amalgamation in prior years were in progress; and
- there were undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, which had not been regularly deposited with appropriate authorities and there were serious delays in a large number of cases.

If any such comments are included in the auditor report or the annexures to the auditor's report for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.

14. ***The Proforma Financial Statements are not indicative of our future financial condition or results of operations.***

The Proforma Financial Statements have been prepared for illustrative purposes only, and show the impact of the acquisition of Flury's on the results of our Company from the commencement of the first period presented in the Proforma Financial Statements and the impact on the financial position on the date of the balance sheet presented in the Proforma Financial Statements on our Company as if the acquisition had occurred on the dates set forth in the Proforma Financial Statements thereon. The Proforma Financial Statements address a hypothetical situation and does not represent our actual consolidated financial condition or results of operations, and is not intended to be indicative of our future financial condition and results of operations. The adjustments set forth in the Proforma Financial Statements are based upon available information and assumptions that our management believes to be reasonable. If the assumptions underlying the preparation of the Proforma Financial Statements do not occur, our actual financial results could be materially different from those indicated in the Proforma Financial Statements. In addition, the Proforma Financial Statements have not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or U.S. GAAP, and shall not be used in the United States. Further, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may vary significantly from the basis of preparation for the Proforma Financial Statements. Therefore, the Proforma Financial Statements should not be relied upon as if it has been prepared in accordance with those standards and practices.

As the Proforma Financial Statements are prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results of operation that would have occurred, had such transaction by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial results of operations.

15. ***The hotel industry and retail food and beverage industry are intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.***

The hotel industry in India is intensely competitive and we compete with large multinational and Indian companies, in each of the regions that we operate. Some of our competitors may develop alliances to compete against us or have more financial and other resources. We cannot assure you that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

Our hotels compete with international, regional and local hotel companies, some of which have greater name recognition and financial resources than we do. Our hotels are often located in areas where competition is intense. Competitive factors at each hotel destination include room rates, quality of accommodation, name recognition, service levels and convenience of location, and to a lesser extent, the quality and scope of other amenities. Competition also exists between each city that we operate and is affected by factors such as market perception, local culture, the ability of the location to successfully promote itself as a tourist destination, accessibility, infrastructure and other macro-level factors. There can be no assurance that new or existing competitors will not offer significantly lower rates than our rates or offer greater convenience, services or amenities or significantly expand or improve facilities in the locations in which we operate, thereby adversely affecting our results of operations. There also can be no assurance that demographic, geographic or other changes in markets will not adversely affect the accessibility or attractiveness of our hotel properties.

Our success is also dependent upon our ability to compete in areas such as room rates, location of the property, the quality and scope of other amenities, including food and beverage facilities, quality of accommodation and service as well as the brand recognition. In addition, we must maintain our hotels' good condition and attractive appearance, which requires ongoing renovations and other improvements, including periodic repair and replacement of furniture, fixtures and equipment. Our competitors may significantly increase their marketing expenses to promote their hotels, which may require us to similarly increase our advertising and marketing expenses and change our pricing strategies, which may have an adverse effect on our business, results of operations, financial condition and cash flows. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Furthermore, as a hotel operator, our continued success in maintaining and enhancing the recognition of our brand depends, to a large extent, on our ability to provide consistent and high quality accommodations and services across our hotel portfolio, and design and introduce new accommodations and services to meet customer demands, as well as our ability to respond to competitive pressures. In addition, we must maintain our hotels' good condition and attractive appearance, which requires ongoing renovations and other improvements, including periodic repair and replacement of furniture, fixtures and equipment. If we are unable to maintain and enhance our brand reputation, our occupancy and room rates may decline, which would adversely affect our business and results of operations.

The retail food and beverage industry is also highly competitive where barriers to entry are low. Our competitors include large and diverse groups of bakery chains, restaurants, cafes, coffee joints and individual operators. Some of our competitors are established in the food and beverage industry and operating in similar business segments as us and may have substantially greater financial and marketing resources. There can also be no assurance that new competitors, some of which may have greater brand recognition and financial resources than us, will not compete with us. The entry of new competitors into our industry or into the immediate areas surrounding our existing retail food and beverage outlets could adversely affect its business, prospects, profitability, financial condition and results of operations.

16. ***If we pursue a strategy of expansion through development of new hotels on freehold/leasehold property, we may not be able to successfully consummate favourable transactions or such transactions may not yield intended results or achieve expected returns and other benefits.***

We have experienced substantial growth in our operations and hotel portfolio since THE PARK hotel was first launched in Kolkata. We have grown our hotel portfolio to 22 hotels with a combined total of 1,937 operational rooms as of the date of this Draft Red Herring Prospectus.

Our growth in the future will be significantly dependent upon our ability to locate and acquire/lease existing buildings or sites for hotel development at prices that enable us to enjoy an attractive return on investment and maintain high profit margins. However, we may not be able to identify suitable hotel properties, consummate a transaction on terms that are favourable to us, or achieve expected returns and other benefits. Hotels acquired by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our acquisitions may entail financial and operational risks, including diversion of management attention from its existing core businesses. Future acquisitions could also result in the potential disputes and litigation proceedings, cost overrun, incurrence of debt, utilization of our internal accruals, increased contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition and results of operations. We may incur additional debt or for acquisition which could affect our business, financial condition and results of operations.

In addition, competition among developers, investors and other market participants, including competing hotel developers and operators, to acquire attractive sites and buildings has increased. If we cannot acquire/lease sites or buildings at sufficiently attractive prices, we may either need to defer expansion plans until prices return to attractive levels or accept higher acquisition costs. A higher acquisition cost for a hotel or site necessarily demands higher revenue levels from that hotel or site if we are to increase our return on investment and maintain our profit margins. There can be no assurance that we will continue to be successful at identifying and acquiring such sites or buildings, or that we will be able to generate sufficient revenues from the sites or buildings that we acquire to maintain our profit margins, which may have a material adverse effect on our expansion plans, financial conditions, results of operations and cash flows.

Our business is capital intensive and we may not be able to arrange suitable financing to meet our capital needs at acceptable terms, or at all. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations, or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

17. ***We have availed or may avail certain loans that are recallable by lenders, at any time.***

We have availed or may avail borrowings that are repayable on demand by the relevant lenders. Such loans may be recalled by the relevant lenders on occurrence of certain events. In the event such lenders seek repayment of any of these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Any such unexpected demand for repayment may have a material adverse effect on our business, cash flows and financial condition. See "*Risk Factors – Internal Risk Factors – Certain of our hotels are mortgaged with lenders. Failure to comply with the terms of the mortgage agreements could adversely affect our business, results of operations, financial conditions and cash flows*" on page 34.

18. ***We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise, property tax and labour laws. A failure to manage such risks or any non-compliance with, or changes in, regulations applicable to us may adversely affect our business,***

results of operations, financial condition and cash flows.

We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise, property tax and labour laws at a central and state level. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. We provide hospitality services, including sale of food and beverage including wine and liquor, cleaning and housekeeping, and security services, at our hotels. In rending such services, we are subject to a broad range of safety, health, environmental, real estate, taxation, excise, star classifications, property tax and related laws and regulations and internal standard operating procedures under our management contracts which impose controls on our operations. We are also subject to export obligations, and non-performance of these obligations or failure to have appropriate export licenses may adversely affect our business, financial condition, results of operation and cash flows. Our properties are also subject to laws governing our relationship with our employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and redundancy of employees, contract labor and work permits, pension and employment termination benefits and work permits. In connection with ownership of our hotels and development of properties, we are required to obtain various environment related approvals and consents to operate under the Air Act and Water Act and authorisation for collection, storage and disposal of hazardous waste under the Hazardous Waste Rules with respect to our owned, leased and a select number of managed hotels, as applicable. Our properties are also subject to laws governing property tax matters, including the municipal and local laws which vary depending on the State, depending on the State in which the property is situated. Our Company is involved in litigations pertaining to property tax matters, which if decided against our Company, may materially and adversely affect our business, financial condition, results of operations and cash flows. We also require certain approvals and authorisations from local municipal authorities to carry out our business operations. Further, owing to a business transfer agreement executed between Flury's and our Company dated December 19, 2019, the confectionery business of Flury's has been transferred to our Company, and in this regard, Flury's is in the process of filing applications, documents and letters required for the valid transfer of the approvals, licenses and permits required to be obtained in relation to such confectionery business, in the name of our company. Flury's outlets, which are in the nature of cafés, tea rooms and kiosks, are required to obtain registration from the Food Safety and Standards Authority of India, under the Food Safety and Standards Act, 2006 read with the Food Safety and Standard (Licensing & Registration of Food Business) Regulations, 2011, for sale, storage or distribution of food products. The registration may be subject to periodic renewals. Registration and licenses are required to be obtained by Flury's under the Factories Act, 1948, as amended and the West Bengal Factories Rules, 1958, as amended. These are subject to periodical renewals. For further details, see "*Government and Other Approvals*" on page 347.

Some of these licenses may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. For further details, see "*Government and Other Approvals*" on page 347.

We are in the process of applying for the renewal of certain key licenses and approvals. For further details, see "*Government and Other Approvals*" on page 347. While we have made applications for renewal of these licenses and approvals, we cannot assure that the approvals shall be renewed or will be granted in a timely manner. Any inability to renew or failure to obtain any of these approvals in a timely manner or at all may have an adverse effect on the operations of our hotels. We cannot assure you that such approvals will be issued or granted to us, or at all.

Further, regulations and policies in India may also impact the demand for, expenses related to and availability of our hotel services and rooms, and food and beverage operations. We are also subject to regulations, which are periodically amended, including relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events at our hotel properties. As a result of non-compliance with, or changes in, the applicable regulations, such as changes in excise policy, property tax and building regulations, we may incur increased costs, be subject to penalties, have our approvals and permits revoked, enforced shutdowns or suffer a disruption in our operations or other sanctions imposed by the regulatory authorities.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. For example, the Supreme Court of India, in December 2016, issued a judgment that prohibits the sale of alcoholic beverages within a distance of 500 meters from state and national highways. This judgment affected our operations and the service of wine and liquor at our hotels. Our hotels in Chennai were affected for a period of six months while our hotels in Bangalore were affected for a period of two months. Monitoring legal developments and maintaining internal standards and controls in order to abide by rules and regulations applicable to us can be costly and may detract management's attention which could adversely affect our operations. Any failure to comply with these rules and regulations could materially and adversely affect our reputation and the imposition of any fines or penalties may materially and adversely affect our business, financial condition, results of operations and cash flows.

19. ***We expect to face competition for operation and management contracts.***

As part of our asset-light growth strategy, we focus on leveraging our brands and expansion of our business through operation and management of hotels. See "*Our Business — Strategy*" on page 148. Competition for operation and management agreements is significant among management companies in the hospitality and leisure industry in India. As a result, in order for us to expand our business activities by acquiring additional operation and management agreements, we may be required to offer more attractive terms to hotel owners than the terms under our existing agreements.

20. ***We may be unable to improve or expand our managerial, financial, operational and other resources in order to cope with our expansion plans and ensure our hotels are developed and operated to consistent and high standards expected by our customers.***

Our success in this business is significantly dependent on our ability to improve and codify our management practices and hire and train sufficient management and operational staff. If we are unable to successfully manage our planned future growth, we may be unable to recoup costs spent developing and initiating such growth, which may have a material adverse effect on our financial conditions and results of operations.

21. ***We may be unable to successfully grow our business in new markets in India, which may adversely affect our business prospects, results of operations, financial condition and cash flows.***

We seek to diversify our geographical footprint globally and in India, to reduce our exposure to local, seasonal and cyclical fluctuations and to access a more diversified guest base across geographies. We intend to strengthen and expand our portfolio to newer geographies across India such as Gujarat and Nagaland**,** which typically attract significant traffic from business and leisure travellers. However, we cannot assure you that we will be able to grow our business in these markets. Inability to access infrastructure, certain logistical challenges in these regions and our relative inexperience with certain newer markets, may prevent us from expanding our presence in these regions.

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

22. ***We may be exposed to increased risks from future acquisitions, joint ventures or investments, which may affect our affect our business prospects, results of operations, financial condition and cash flows.***

In addition to growth through our internal efforts, we intend to rely upon strategic acquisitions to provide us with access to new businesses, products and markets both in our existing business, as well as in new areas.

For example, in December 19, 2019, we entered into a business transfer agreement with Flury's in connection with the acquisition of our retail food and beverage business. Flury's is in the process of filing applications, documents and letters required for the valid transfer of the approvals, licenses and permits required to be obtained in relation to such confectionery business, in the name of our Company. Third party contracts that are entered into with Flury's will also have to be novated to us. There can be no assurance that we will obtain all approvals, licenses and permits in connection with the acquisition, or we will obtain all consents for the novation of third party contracts or the terms of such novation agreements will be favourable to us.

Acquisitions that we may undertake, along with potential joint ventures and other investments, may expose us to additional business and operating risks and uncertainties, including but not limited to the following:

- the direct and indirect costs in connection with such transactions;
- the inability to effectively integrate and manage the acquired businesses;
- our inability to exert control over the actions of our joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- our inability to exert control over strategic decisions made by these companies;
- the time and resources expended to coordinate internal systems, controls, procedures and policies;
- the disruption in ongoing business and diversion of management's time and attention from other business concerns;
- the potential loss of key employees and customers of the acquired businesses;
- the risk that an investment or acquisition may reduce our future earnings; and
- exposure to unknown liabilities.

If we are unable to successfully implement our acquisition or expansion strategy or address the risks associated with such acquisitions or expansions, or if we encounter unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, our growth and ability to compete may be impaired. We may fail to achieve acquisition synergies and be required to focus resources on integration of operations, rather than on our business. We may also experience difficulties in integrating the acquisition into our existing business and operations. Our failure to derive anticipated synergies could affect our business, financial condition and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or customers, any of which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations.

23. ***We have had restated losses in the past.***

We also had a restated loss of ₹18.32 million for the three months period ended June 30, 2019 and a restated loss of ₹78.99 million for the year ended 31 March 2018. We cannot assure you that we will not incur losses in the future.

24. ***We have certain contingent liabilities in our financial statements, which, if they materialize, may adversely affect our financial condition.***

As of June 30, 2019, in accordance with IND AS 37 as disclosed in our financial statements, we had certain contingent liabilities on a consolidated basis. For details of such liabilities in accordance with IND AS 37 as disclosed in our financial statements, see Annexure XXXV of the Restated Financial Statements on page 263. As of the date of this Draft Red Herring Prospectus, the management had considered that any adverse financial impact from such contingent liabilities is not probable. However, if a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

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

We are committed to ensuring the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents, health crises of guests and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation.

In 2014, Cyclonic Storm Hudhud caused disruption in electricity, water and food supplies in Visakhapatnam, Andhra Pradesh, affecting our hotels which were located near the sea shore. In 2015, heavy rainfall generated by the annual monsoon resulted in widespread flooding in Chennai, which had resulted in extensive damages to our hotel. Such incidents, whether natural or man-made, could disrupt business operations and have a material adverse effect on our business, cash flows and financial condition.

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

Any accidents or any criminal activity at our hotel properties may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation and cause a loss of consumer confidence in our business. Such events occurring at any one of our hotel properties may also have an adverse effect on our reputation and may also adversely affect operations of our other properties.

In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss and consequently affect our reputation.

26. ***The success of our business is dependent on our ability to anticipate and respond to customer requirements. Our business may be affected if we are unable to identify and understand contemporary and evolving customer preferences or if we are unable to deliver quality service as compared to our competitors.***

We are engaged in the hospitality industry and are driven by the quality of service we provide and the expectations of our customers. The hospitality industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends. We need to evolve our product offerings in order to compete with popular new hospitality services, operation formats, concepts or trends that emerge from time to time. We strive to keep up with evolving customer requirements to enhance our existing business and level of customer service. Our inability to identify, anticipate, understand and address contemporary and evolving customer preferences or to deliver quality service as compared to our competitors could materially and adversely affect our business. Market perception of our hotels and services may change and this could impact our continued business success and future profitability.

The quality and delivery of our services at our hotels are critical to the success of our business. Quality of services depend significantly on the effectiveness of our quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hospitality personnel, the quality training program, and our ability to ensure that such personnel adhere to our policies and guidelines. Any failure or deterioration of our quality control systems, or our inability to deliver quality services as compared to our competitors, could materially and adversely affect our business, financial condition, results of operations and reputation.

With respect to our retail food and beverage business segment, our continued growth and success depend, in part, on the popularity of our bakery and restaurant menu items. The emergence of new lifestyle dining trends or any change in existing lifestyle dining trends could result in a change in consumer preferences. Shifts in consumer preferences away from our bakery and restaurant menu items to other kinds of take-out food items offered in other types of eateries could materially affect our business. In addition, our continued success depends, in general, on disposable consumer income and consumer confidence, all of which can affect discretionary consumer spending. Any outbreak of diseases and viruses from the region or around the world may affect consumer confidence and reduce discretionary spending and reduce the flow of customers. Any changes in the market and economic conditions of India may also affect the consumers' disposable income, consumer confidence and hence discretionary consumer spending. If we are unable to keep pace with the changing tastes of consumers in the future, the patronage of our restaurants, retail outlets and cafes may be affected. Adverse changes in these factors would reduce the flow of customers and may adversely affect our business, prospects, profitability, financial condition and results of operations.

27. ***We are reliant on key members of our senior management team and our operations are dependent on our ability to attract and retain qualified personnel and any inability on our part to do so, could adversely affect our business, results of operations, financial condition and cash flows.***

Our success depends largely on the skills, experience and performance of key members of our senior management team. We are led by Ms Priya Paul, chairperson of the Company, Mr. Karan Paul, Chairman of the Apeejay Surrendra Group and Mr. Vijay Dewan, managing director of the Company, who each has extensive experience in the hospitality and leisure industry. They are supported by an experienced management team with demonstrated execution capabilities. We believe our core management team possesses the relevant mix of multi-disciplinary skills and experience, particularly in areas of product innovation, branding, and hotel design and construction, as well as hotel operations. However, there is no assurance that we will continue to have the service of the key members of our senior management team. If we were to lose one or more of these key employees, our ability to set and implement successfully our strategy could be materially adversely affected. We generally do not maintain significant key-person life insurance on our employees. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Any inability on our part to attract and retain qualified personnel and senior management could adversely affect our business, results of operations, financial condition and cash flows.

As a service-oriented company, our operations are dependent on our ability to attract and retain qualified personnel since we aim to provide our guests with high levels of service. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations, financial condition and cash flows. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Any inability or delay in the employment of qualified personnel or any significant increase in employee compensation will result in a corresponding increase in operational cost, which could adversely affect our business, results of operations, financial condition and cash flows.

28. ***We have incurred indebtedness which requires significant cash flows to service, and limits our ability to operate freely. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations. We will continue to have indebtedness and debt service obligations following the Offer.***

As on June 30, 2019, we had total borrowings (including current, non-current and current maturities of long term borrowings) of ₹4,961.30 million. We may also incur additional indebtedness in the future. Our current or future level of leverage could have significant consequences for our shareholders and our future financial results and business prospects, including:

- increasing our vulnerability to a downturn in business in India and other factors which may adversely affect our operations;
- requiring us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cash-flows to fund capital expenditures and growth initiatives, meet working capital requirements and use for other general corporate purposes or make dividend payouts;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage to any of our competitors that have less debt;
- increasing our interest expenditure;
- requiring us to meet additional financial covenants; and
- limiting our ability to raise additional funds or refinance existing indebtedness.

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, any of which could adversely affect our business and financial condition. Our Company and/or our Subsidiaries, as applicable, are required to obtain prior written consent from lenders for, among other things:

- effecting changes in the capital structure of our Company;
- effecting changes in the management of our Company, including but not limited to terms of appointment of our directors and the remuneration payable to them;
- declaring or paying any dividend or authorizing or making any distribution to our shareholders unless our Company has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid, or such distribution is to be made, or our Company has made provisions therefore satisfactory to the lender;
- carrying out any material change in our business;
- changing our constitution, composition or undertaking or permitting any merger, demerger, consolidation, reorganization, dissolution or reconstitution, or effecting any scheme of amalgamation or reconstruction, etc.;
- dilution of the promoter's shareholding in our Company, below certain prescribed thresholds;
- amending the memorandum of association and articles of association;
- entering into single or series of transactions to sell, lease, transfer or dispose of assets of our Company other than in ordinary course of business;
- giving any guarantee, indemnity or similar assurance except as permitted under the loan documentation;
- incurring or causing to incur, any indebtedness in any manner whatsoever; and
- changing the financial year of our Company from the end-date it has currently adopted or changing the accounting method or policies currently followed, unless expressly required by law.

The terms of our outstanding debt require us to comply with various covenants and conditions, such as maintaining certain financial ratios which are tested periodically. We are also subject to various restrictive covenants under our financial arrangements. In the past, we were in breach of some of our financial covenants. Such breaches constitute events of default under the relevant facility agreements, which permit the lenders under each of the relevant facility agreements to declare the amounts outstanding under the relevant facility agreements to be due and payable immediately. Further, such events of default have also resulted in cross-defaults under certain other facility agreements, resulting in the outstanding amounts under such other facility agreements becoming capable of being declared due and payable immediately. As of the date of this Draft Red Herring Prospectus, as waivers have been obtained from the relevant lenders, such event of default and/or cross-default are no longer continuing. There is no assurance that we will be in compliance with such financial covenants in the future. Although, in the past, we have been able to cure such breaches or procure a waiver from the lender in relation to the breach, there can be no assurance that if any such breach were to occur in future:

- we will succeed in obtaining consents or waivers from its lenders;
- our lenders will not declare amounts to be immediately due and repayable;

- our lenders will not impose additional operating and financial restrictions on it, or otherwise seek to modify the terms of the existing financing arrangements in ways that are materially adverse to us.

Further, we have granted security interests over certain of our assets, including our hotel properties and hypothecation of assets at our hotels, operating cash flows and book debts, credit card receivables in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, financial condition and results of operations.

We propose to utilise ₹3,000 million of our Net Proceeds to repay/prepay certain indebtedness availed by our Company. We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or proposed borrowings or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms.

For more information regarding our indebtedness, see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations — Indebtedness*" and "*Financial Indebtedness*" on pages 336 and 298, respectively, of the Draft Red Herring Prospectus.

29. ***Certain of our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.***

The interest rate for most of our borrowings availed by our Company aggregating to ₹4,961.30 million as of October 31, 2019, is expressed as the base rate or marginal cost of funds based lending rate of a specified lender and interest spread per annum, which is variable. Further, our financing agreements include provisions providing for interest rates to be periodically reset, or changed based on the lender's internal policies. We are susceptible to fluctuations in interest rates and associated risks. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition. See "*Financial Indebtedness*" on page 298 for a description of the range of interest typically payable under our financing agreements.

30. ***We intend to refurbish, renovate, maintain, repair or further develop our existing hotel properties and resorts or retail food and beverage outlets which could result in cost and time overruns or disruptions of our hotel and retail operations.***

In order to improve and maintain the conditions of our hotels, we conduct regular refurbishments of hotels that we own and operate. These refurbishments may be more costly than expected and are subject to risk of delays, disruption to hotel operations and cost or time overruns. The costs of maintaining the hotel properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the hotel properties age. In addition, even though the operations of hotels under refurbishment or development may continue, there may be instances where maintenance, renovation, refurbishment or development would result in significant disruption to hotel operations and adversely affect the revenues of the relevant hotels. The disruptions and other risks associated with refurbishments and further development or our failure to improve and maintain the conditions of the hotels could have an adverse effect on our business, results of operations, financial condition and cash flows.

To remain competitive, we are constantly required to make significant capital investments, including but not limited to renovating or refurbishing its existing bakery outlets, restaurant, and cafes, setting up additional kitchens, the purchase of new equipment and upgrading and maintenance of existing processing facilities. As a result of such renovation or refurbishing, there may be no revenue generated by the outlets in question. Further, there can be no assurance that these capital investments will generate the level of return initially anticipated, due to changes in market environment and other factors.

In particular, if unforeseen market changes and corresponding declines in demand result in mismatch between the actual and anticipated demands of consumers, we may not be able to recover our capital expenditures or investments, in part or in full, or the recovery of such capital expenditures or investments may take longer than expected.

In addition, we may have made capital investments in the past that may still have a continuing impact on our operating results. While we evaluate each investment decision carefully, there is no assurance that its capital investments will generate the expected returns and if the expected returns are not generated, this may adversely affect our business, results of operations, financial condition and cash flows.

31. ***Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own or intend to acquire in connection with the development or acquisition of new hotels or properties.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land. Furthermore, title to land in India is often fragmented, and in many cases, land may have multiple owners.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subjected to encumbrances that we are unaware of. Any defects in, or irregularities of, title that we enjoy may prejudice our ability to continue to operate our hotels and commercial and real estate projects on such land and require us to write off substantial expenditures in respect of establishing such properties.

Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. Consequently, any acquisition of the land made by us is subject to risks and potential liabilities arising from inaccuracy of such information. For instance, the mutation of the records in relation to land situated at Chennai and Hyderabad transferred to our Company from Gemini Hotels and Andhra Hotels Private Limited, respectively, pursuant to the schemes of amalgamation in the years 2003 and 2008, is currently pending. Similarly, although the conveyance of Pune land is in favour of the Company, the mutation of the land to our Company is currently pending. Such inaccurate information and any defects or irregularities of title may result in the loss of title or development rights over the land, and the cancellation of our development plan in respect of such land. As a result, potential disputes or claims over title to the land on which our hotels are or will be situated may arise. Such disputes, whether resolved in our favour or not, may divert management's attention, harm our reputation or otherwise disrupt our business. Further, while we obtain title opinions and titles search reports from local counsel and relevant experts on the properties over which our hotels are located, we may not be able to assess, identify or address all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession right. See "*Risk Factors – Internal Risk Factors – Certain of our hotels are located in buildings and lands which have been leased to us by third parties. If we are unable to comply with the terms of the lease agreements, renew our agreements or enter into new agreements, our business, results of operations, financial condition and cash flows may be adversely affected*" on page 28.

32. ***We are subject to risks relating to owning real estate assets including changes in local markets or neighbourhoods, lack of liquidity of real estate assets and uncertainty of market conditions.***

We are subject to risks that generally relate to real estate assets due to the hotel properties we own. Regulations and interest rates can make it more expensive and time-consuming to develop real property or expand, modify or renovate our hotels. Changes in local markets or neighbourhoods may diminish the value of the real estate assets we hold. Real estate assets may not be as liquid as certain other types of assets, and this lack of liquidity may limit our ability to react promptly to changes in economic, market or other conditions. Our ability to dispose of real estate assets, if required, on advantageous terms depends on factors beyond our control, including competition from other sellers, demand from potential buyers and the availability of attractive financing for potential buyers. We cannot predict the various market conditions affecting real estate assets that may exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our real estate assets, we cannot assure you that we will be able to sell our real estate assets at a profit in the future, if required.

33. ***Our operations entail certain fixed costs and recurring costs, and our inability to reduce such costs during periods of low demand for our services may have an adverse effect on our business, results of operations, financial condition and cash flows. Further, we may be unable to obtain future financing on favourable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.***

Our operations entail certain fixed costs such as costs incurred towards the maintenance of our hotel properties, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses and insurance payments. The costs of running a hotel tend to be more fixed than variable. The hotel industry experiences changes in demand and supply, which we may not be able to predict accurately. Consequently, we may be unable to reduce fixed and recurring costs in a timely manner, or at all, in response to a reduction in the demand for our services. Further, our hotel properties may be subject to an increase in operating expenses and other expenses in the event of increases in property and other tax rates, increase in utility costs due to increase in electricity or water supply charges, insurance costs, repairs and maintenance and administrative expenses, which may adversely affect our business, results of operations, financial condition and cash flows.

Further, for the purpose of funding the fixed and recurring cost, we are required to obtain additional debt facilities which is subject to a variety of uncertainties, including:

- our financial condition, cashflow position, leverage position and credit rating;
- general market conditions for financing activities;
- general operating environment within the hotel industry; and
- the trading price of our Equity Shares.

We may be unable to obtain future financing on favorable terms, or at all, to fund our operations, anticipated capital expenditure and working capital requirements. Our strategy to grow our business and maintain our market share may require us to raise additional funds or refinance our existing debt for our working capital or long term loans. We cannot assure you that such funds will be available on favourable terms or at all. Additional debt financing may increase our financing costs. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favourable terms or at all as and when required, our business, financial condition, results of operations and prospects could be adversely affected.

In addition, lenders may be unwilling to accept security interests in the property being developed as collateral for the loan due to the illiquidity of the relevant property. If we are unable to raise such financing on favorable terms, or at all, we may not be able to fund our operations sufficiently or we may be unable to carry out our planned expansion, all of which could have a material adverse effect on our business, financial condition, profitability, results of operations and ability to implement our growth strategy. Future fund raising may cause a dilution in your shareholding or place restrictions on our operations.

34. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.***

While we maintain insurance policies in respect of the hotels that we own and operate, covering losses, including those arising from fire, accidents, calamities and acts of terrorism. With respect to losses which are covered by our policies, it may be difficult and may take time to recover such losses from insurers. In addition, we may not be able to recover the full amount from the insurer. There can be no assurance that our policies would be sufficient to cover all potential losses, regardless of the cause, or whether we can recover for such losses.

We could also be held liable for accidents that occur at our hotels or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our properties are insured with independent third parties covering various aspects such as loss arising out of fire, terrorism, electronic equipment, commercial general liability, personal accident and money insurance. We also maintain accident group insurance for our employees. As at June 30, 2019, we have insured 43.42% coverage over our total assets of ₹12,509.74 million.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

35. ***Our co-operation with third-party websites and other hotel reservation intermediaries and travel consolidators may adversely affect our margins and profitability.***

Many of our hotels have contracts with operators of third-party websites and other hotel reservation intermediaries, such as online aggregators, and travel agents to whom we pay commissions for such services, either directly (in the form of a percentage of the sale price of a room) or indirectly (by means of offering them a lower room rate that they can then on-sell at a higher rate to their customers). These third-parties, including online travel agents, offer a wide breadth of services, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct booking channels. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison. If these intermediaries continue to develop their customer bases and the percentage of bookings at our hotels made through their systems becomes even more significant, they may be able to negotiate higher commissions, reduced room rates, or other significant concessions from us, which could adversely affect our margins and profitability. In addition, due to our reliance on these intermediaries and travel consolidators, any changes to the terms and conditions of our contractual agreements with them could affect our operation and business.

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

36. ***Any failure to maintain the quality and hygiene standards of the food products that we offer will adversely affect our business.***

In the food and beverage industry, it is essential that the quality of food products served be consistent and the food products are prepared hygienically and thus safe for consumption.

A risk of contamination or deterioration exists during each stage of the production cycle, including during the production and delivery of raw materials, the packaging of our products, the stocking and delivery of our products to our retail outlets, restaurants and cafes and the storage and shelving of our Company's products at the final points of sale. Any such contamination or deterioration could result in a recall of our products and/ or criminal or civil liability and restrict our ability to sell our products which, in turn, could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, from time to time, we may be subject to false claims of contamination which could create negative publicity that could adversely affect our reputation and product sales, which could also adversely affect our business, financial condition, results of operations and prospects.

In addition, we may not be able to ensure that our third party suppliers maintain the quality of the materials they supply to us which may in turn affect the quality of our food products.

Any decline in the standards of hygiene or the consistency in the quality of our food products may result in customers' dissatisfaction and hence a decrease in their patronage of our retail outlets, restaurants and/or cafes. In addition, high staff turnover, shortage of staff or the lack of proper supervision may also affect the consistency and quality of the food products served, the standard of hygiene in the preparation of the food products and the services at our retail outlets, restaurants and/or cafes. This will in turn adversely affect our business, prospects, profitability, financial condition and results of operations.

37. ***We are exposed to risks of slow-moving perishable stock***

In order to meet market demands, we typically maintain some inventory for our products, ranging from raw materials to semi-processed and finished products. The maintenance of such inventory levels exposes us to the risk of product wastage as our products may be perishable. In the event that products cannot be sold, these products will have to be disposed of, and this may result in losses to our Company and adversely affect our results of operations.

38. ***Our business may be adversely affected if our competitors successfully imitate our baking and presentation methods.***

We consider our baking and presentation methods, including its packaging and the design of the interior of its food and beverage retail outlets, to be essential to the appeal of our products and brands. It may be difficult for us to prevent our competitors from successfully imitating the design of our food and beverage retail outlets, methods or recipes. If our competitors successfully imitate our preparation or presentation methods or recipes, the value of *"Flurys"* brand may be diminished and our market share may decrease. Furthermore, our competitors may be able to develop food preparation and presentation methods or recipes that are more appealing to consumers. If any of the above events occur, our business, prospects, profitability, financial condition and results of operations may be adversely affected.

39. ***We are dependent on a constant flow of key supplies and any disruption to supply could affect our business***

We are highly dependent on a consistent and sufficient supply of ingredients that meet our quality standards and shortages of key food products may lead to price increases for those ingredients. Further, supply and prices of ingredients are subject to various factors beyond our control, including climate, seasonality, exchange rates, import tariffs and applicable laws, rules, regulations and policies in relation to the sale and/or import of these ingredients. Any such increase in costs will adversely affect our profitability and financial performance as we purchase key ingredients such as fresh seafood, meat and vegetables, sauces, marinades and semi-finished food products on a daily or weekly basis from our suppliers. If our suppliers are unable to supply us with sufficient key ingredients or we are unable to secure a supply of alternative ingredients that comply with our stringent standards, we may be adversely affected by delays or lost deliveries resulting in a shortage of ingredients, interruptions to our business and are susceptible to increases in the cost of ingredients.

There may also be instances where the conditions of our food ingredients deteriorate due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our logistics staff or suppliers. This may result in a failure of our Company to provide quality food and services to our customers, thereby damaging our reputation, which may materially and adversely affect our business, financial condition, results of operations and/or prospects.

40. ***Disruptions or lack of basic infrastructure such as electricity and water supply could adversely affect our operations.***

We require a significant amount and continuous supply of electricity and water and any disruption in the supply thereof could affect the operations of our hotels and the services to our guests. We currently source our water requirements from governmental water supply undertakings and water tankers and depend on state electricity boards and private suppliers for our energy requirements. Although we have diesel generators to meet exigencies at all of our hotels, we cannot assure you that our hotels will have sufficient power during power failures.

For example, in March 2019, the hotel transformer at THE PARK Visakhapatnam had malfunctioned due to a short circuit in its core winding. This resulted in a disruption to our supply of electricity for a few days before we sourced and installed temporary transformer from a local supplier. In October 2014, THE PARK Visakhapatnam had also suffered disruption to electricity and water supply for 15 days due to Cyclone Hudhud, a tropical cyclone that had extensive damage and loss of life.

Accordingly, there can be no assurance that there will be no disruption to basic infrastructure in future and any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations, financial condition and cash flows.

41. ***Our Promoters, certain of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, certain of our Directors and Key Managerial Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits. Our Promoters, certain Directors and Key Managerial Personnel may be deemed to be interested to the extent of equity shares held by them, directly or indirectly, in our Company and Subsidiaries and amount of dividend or other benefits accrue to them owing to such shareholding. Our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. Our Promoters may be considered to be interested in relation to the (i) Brand Usage and Service Agreement, entered into with ASMSL, and (ii) Business Transfer Agreement entered with the Flury's Swiss Confectionery. For details on the Business Transfer Agreement and Brand Usage and Service Agreement, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 172. In addition, pursuant to the Shareholders' resolution passed in an EGM held on December 23, 2019, our Non-Executive Director, Karan Paul had entered into an arrangement with our Company, dated December 28, 2019, in accordance with Section 197 and other relevant provisions of the Companies Act, for providing consultancy services and advice to the Company relating to strategic, business and financial planning for an annual fee of ₹ 15 million, with effect from November 1, 2019. For further details in relation to the interests of our Directors and Key Managerial Personnel, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 178 and 196, respectively.

42. ***Certain of our Promoters and our Directors are engaged in business activities which are similar to those undertaken by our Company and Subsidiaries, or have interests in other companies, which are in businesses similar to ours, which may result in conflicts of interest. Further, we have not entered into any non-compete arrangements with our Promoters.***

A conflict of interest may occur between our business and other businesses in which our Promoters have interests, which could have an adverse effect on our operations. For example, Cha Bar is owned by Apeejay Oxford Bookstores Private Limited (a company forming part of Apeejay Surrendra group), which is engaged in the business of operating coffee shop and food joints, and Cha Bar's franchisee business is operated by Fusion Beverages Private Limited (a company forming part of Apeejay Surrendra group). Our Promoters may be considered to have interest in Cha Bar, which competes with our existing business.

Further, our Company has entered into a Business Transfer Agreement ("**BTA**") for the acquisition of the confectionery business of Flury's Swiss Confectionery. The BTA does not include a non-compete undertaking by Flury's Swiss Confectionery in the BTA, there can be no assurance that Flury's Swiss Confectionery will not compete with us by undertaking a similar business with our Company in future.

In addition, our Independent Director, Suneeta Reddy is a non-executive director of Apollo Sindoori Hotels Limited, which is engaged in the hospitality business, similar to the business activities undertaken by our Company and Subsidiaries, and which may result in conflicts of interest.

Further, conflicts of interest may also arise out of common business objectives shared by us and certain of our Promoters. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour, and they may take actions that are not in our best interest or that of our other shareholders. Our Promoters may compete with us and have no obligation to direct any opportunities to us. We cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

43. ***We may have entered into, and will continue to enter into, related party transactions***

In the ordinary course of business, we have entered into and continue to enter into transactions with certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with non-related parties. We cannot assure you that such transactions, individually or in the aggregate, will not materially and adversely affect our business, financial condition, results of operations and prospects. For more information regarding related party transactions, see "*Related Party Transactions*" on page 202.

44. ***Any interruption or failure of our information technology systems could impair our ability to effectively provide its services, which could damage its reputation.***

Our ability to provide consistent and high quality services and to monitor our operations on a real-time basis across all our hotels depends on the continued operation of our information technology systems, including our online distribution, central reservations and customer relationship management systems. In addition, we depend on information technology to run our day-to-day operations, including, among others, hotel services and amenities such as guest check-in and check-out, housekeeping and room service and systems for tracking and reporting financial results of our hotels and our Company. Any damage to or failure of our systems could interrupt our inventory management or affect service efficiency, consistency and quality or reduce our customer satisfaction.

Our technology platform plays an important role in the management of our revenues, inventory and loyalty programs. Computer viruses, fires, floods, earthquakes, hacking or other attempts to harm this system, or other similar events, all have the potential to cause difficulties with the technology platform. Such difficulties could require that reservation and billing activities be conducted off-line or manually. Some of these third party vendor's systems are not fully redundant, and its disaster-recovery planning does not account for all possible scenarios. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems.

Furthermore, our systems and technologies, including our website and database, could contain undetected errors or "bugs" that could adversely affect their performance or could become outdated. We may not be able to replace or introduce upgraded systems as quickly as our competitors or within the budgeted costs for such upgrades. If we experience system failures, our quality of service, customer satisfaction, and operational efficiency could be severely harmed, which could also adversely affect our reputation.

45. ***If we fail to stay current with developments in technology necessary for our business, our operations could be harmed and our ability to compete effectively could be diminished.***

The hotel industry demands use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programs, distribution of hotel resources to current and future customers and guest amenities. These technologies may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by us. We cannot assure you that as various systems and technologies become outdated or new technology is required, we will be able to replace or introduce them as quickly as required or in a cost-effective and timely manner. We also cannot assure you that we will achieve the benefits we may have been anticipating from any new technology or system.

46. ***Compliance with data privacy norms may require us to incur significant expenditure, which may adversely impact our financial condition and cash flows. Further, failure to maintain the integrity of internal or customer data could result in harm to our reputation or subject us to costs, liabilities, fines or lawsuits.***

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain and are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("**PDP Bill**") applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill.

In addition, our systems and proprietary data stored electronically, including our guests' sensitive personal and financial information, may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems may also be vulnerable to ransomware attacks, which may block or restrict access to these systems and impair their functionality, unless certain ransom money is paid. If such unauthorized use of our systems were to occur, data related to our customers and other proprietary information could be compromised. The integrity and protection of our customer, employee and company data is critical to our business. Our customers expect that we will adequately protect their personal information. A theft, loss, fraudulent or unlawful use of customer, employee or company data could harm our reputation or result in remedial and other costs, liabilities, fines or lawsuits.

47. ***Credit rating downgrades may increase our cost of capital and future fund raising may cause a dilution in your shareholding or place restrictions on our operations.***

Any downgrade in our credit rating could adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

In the future, we may be required to raise additional funding to meet capital or operational expenditure requirements, to increase our shareholding in subsidiaries and/or associated companies. Such funding, if raised through the issuance of equity securities, may cause a reduction in the percentage ownership of our existing shareholders at that particular point in time. Alternatively, if such funding requirements are met by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to pursue our growth plans;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

48. *We have a large number of personnel deployed across our hotels. Consequently, we may be exposed to service related claims and losses or employee strikes, disruptions and work stoppages that could have an adverse effect on our reputation, business, results of operations, financial condition and cash flows.*

We deploy a large workforce across our hotels. As of October 31, 2019, we had 2,021 on-roll employees across our operations. In addition to our on-roll employees, we also utilised personnel engaged on a contractual basis. The risks associated with the utilization of a large number of personnel include possible claims relating to:

- actions, inactions, errors or malicious acts by our personnel or third party service providers, including matters for which we may have to indemnify the guests at our hotels;
- failure of our personnel or third party service providers to adequately perform their duties;
- violation by personnel of security, privacy, health and safety regulations and procedures;
- injury or damages to any guest's person or property due to negligence of our personnel or third party service providers; and
- criminal acts including sexual harassment, torts or other negligent acts by our personnel or third party service providers.

In the past there have been a few instances where allegations have been made by guests against our employees in relation to acts of criminal nature. While these claims may not be directly related to Company, these claims may result in negative publicity, adversely impact the reputation of our brand and may also adversely affect operations of our other properties. We may also be affected in our operations by the acts of third parties, including sub-contractors and service providers. Any losses that we incur in this regard may have an adverse effect on our reputation, business, results of operations, financial condition and cash flows.

Our operations could also be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. Although we have not experienced any material labour unrest in recent times, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force. In the event our employee relationships deteriorate or we experience significant labour unrest, strikes and other labour action, work stoppages could occur and there could be an adverse impact on our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations, financial condition and cash flows.

49. *We rely on various contractors or third parties in developing our hotels, and factors affecting the performance of their obligations could adversely affect our projects.*

Most of our hotels require the services of contractors and various other parties including architects, engineers, consultants and suppliers of labour and materials for such projects. The timing and quality of construction of these projects that we develop depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and construction material shortages and industrial action such as strikes and lockouts. We may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our projects, or at all. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services and any delay in project execution could adversely affect our profitability. In addition, if such contractors or third parties do not complete our orders in a timely manner or match our requirements on quality, our reputation and financial condition could be adversely affected.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations, financial condition and cash flows. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as notified and enforced by the central government and adopted with such modifications as may be deemed necessary by the respective state governments, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Accordingly, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, financial condition and cash flows.

50. *We may be exposed to unknown or unforeseen environmental liabilities.*

We are subject to various national and local laws, ordinances and regulations relating to the environment which may impose or create significant potential liabilities. Although we do not know of any material environmental claims pending or threatened against us or any of our properties, no assurance can be given that a material environmental claim will not be asserted against us, and ultimately result in liability for us in the future. The cost of defending against, and ultimately paying or settling, claims of liability or of remediating a contaminated property could have a material adverse effect on our financial conditions and results of operations.

51. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our Company has not declared dividends in the past. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 203.

52. *This Draft Red Herring Prospectus contains information from industry reports from certain agencies commissioned by us, including Horwath HTL and CRISIL and such information has not been independently verified by us.*

This Draft Red Herring Prospectus contains information from industry reports from certain agencies commissioned by us, including Horwath HTL and CRISIL and such information has not been independently verified by us. The reports use certain methodology for marketing and forecasting. Neither we, nor any of the BRLMs has independently verified such data which has been quoted in this Draft Red Herring Prospectus, and while we believe them to be true, assure you that such information is complete reliable. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. See "*Certain Conventions, Presentation of Financial, Industry and Market Data", "Forward-Looking Statements"* and "*Industry Overview*" on pages 15, 19 and 106 respectively.

53. *Statements as to the period in which our properties under development are expected to commence operations and the number of rooms or leasable area expected in such properties are based on management estimates and have not been independently appraised.*

The expected period of opening or commencement of operations for our hotels under development, presented in this Draft Red Herring Prospectus, is based on management estimates and has not been independently appraised. The expected date of opening or commencement of operations, number of rooms, size, acreage and square footage actually developed may differ, based on various factors such as market conditions, modifications of engineering or design specifications, changes in regulatory requirements, stipulations in the consents and approvals we receive and any inability to obtain required consents and approvals. Investors are cautioned to not place undue reliance on these numbers in their evaluation of our business, prospects and results of operation. In the event that such management estimates are incorrect, there could be a material adverse effect on our business, financial condition, profitability, results of operations and cash flows.

54. ***Our Company will not receive any proceeds from the Offer for Sale.***

This Offer includes an Offer for Sale by the Selling Shareholders. The entire proceeds from the Offer for Sale (after deducting applicable Offer Expenses) will be given to the Selling Shareholders and the Company will not receive any part of such proceeds. For further details, see "*Capital Structure*" and "*Objects of the Offer*" on pages 79 and 90, respectively

55. ***Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, see "*Objects of the Offer*" on page 90.

56. ***A portion of the Net Proceeds may be utilised for repayment or pre-payment of loans taken from ICICI Bank Limited, which is an affiliate of one of the Book Running Lead Managers to the Offer.***

We propose to repay certain loans obtained from our lenders from the Net Proceeds as disclosed in "*Objects of the Offer*" on page 90. ICICI Bank Limited, which is an affiliate of one of the Lead Managers to the Offer, ICICI Securities Limited, is not an associate of the Company in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. Loans and facilities sanctioned to our Company by ICICI Bank Limited are part of their normal commercial lending activity and we do not believe that there is any conflict of interest under the SEBI (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations. For details, see "*Objects of the Offer*" on page 90.

57. ***Any variation in the utilization of a portion of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to utilise a portion of the Net Proceeds for retiring certain debts of our Company. For further information of the proposed objects of the Offer, see "*Objects of the Offer*" on page 90. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 and 110 of the Companies Act, 2013 (the "**Act**"), we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the Shareholders' approval through a special resolution by way of postal ballot, as may be applicable. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling Shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to change the Objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. In addition, the requirement on Promoters or controlling Shareholders to provide an exit opportunity to such dissenting Shareholders may deter the Promoters or controlling Shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling Shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed under law. Accordingly, such factors may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, results of operations and cash flows.

58. ***Our statements as to the expected opening months of our hotels under development and the expected number of rooms in such hotels are based on management estimates and have not been independently appraised.***

The expected month of opening for our hotels under development, comprising 4 owned hotels or hotels built on leased or licensed land or buildings and expansion in existing hotels, representing 404 rooms, and 10 managed hotels, representing 1,132 rooms, presented in this Draft Red Herring Prospectus, is based on management estimates and has not been independently appraised. The expected date of opening, number of rooms, size, acreage and square footage actually developed may differ, based on various factors such as market conditions, modifications of engineering or design specifications, stipulations in the consents and approvals we receive and any inability to obtain required consents and approvals. Investors are cautioned to not place undue reliance on these numbers in their evaluation of our business, prospects, results of operation and cash flows. See also "*Forward-Looking Statements*" on page 19.

External Risk Factors

Risks Relating to India

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

We operate in the upper upscale and upper midscale hotel segments in India, where consumer demand for our services is highly dependent on the general economic performance in India and globally. Variability of results through some of the cycles in the past has been more severe due to changes in the supply of hotel rooms in given markets or in given categories of hotels. Any future slowdown in economic growth could affect business and personal discretionary spending levels and lead to a decrease in demand for our services for prolonged periods.

Such events could lead to a reduction in revenue derived from our hotels we own and operate as well as the hotels that we manage. During periods of such economic contraction, we may have to delay or cancel our ongoing or proposed investments in new projects or our ongoing investments in developing new properties may not yield results that we anticipated. We cannot assure you that such macroeconomic and other factors, which are beyond our control would not significantly affect demand for our services. Consequently, the occurrence of such events could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, India has in the past experienced high rates of inflation. In addition, from time to time, the Government of India has taken measures to control inflation, which have included tightening monetary policy by raising interest rates, restricting the availability of credit and inhibiting economic growth.

Inflation, measures to combat inflation and public speculation about possible governmental actions to combat inflation have also contributed significantly to economic uncertainty in India and heightened volatility in the Indian capital markets. Periods of higher inflation may also slow the growth rate of the Indian economy and increase some of our costs and expenses. Moreover, the reporting currency of our financial statements is the Indian Rupee, and fluctuations in the value of the Indian Rupee that result from inflation, could affect the Company's results of operations, financial condition and cash flows. To the extent that the demand for the hotel rooms decreases or costs and expenses increase, and we are not able to pass those increases in costs and expenses on to our customers, our operating margins and operating income may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

60. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease, man-made disasters including actual or threatened acts of terrorism or war, geo-political crisis, civil unrest and military actions, and travel-related accidents or industrial actions, could reduce domestic or international travel and adversely affect the room rates and occupancy levels of our hotels, and our results of operations, cash flows or financial condition. In particular, increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business and adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In recent years, India has witnessed local civil disturbances and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

These events have had, and may continue to have, an adverse impact on the Indian and the global economy and customer confidence and sentiments, which could, in turn, lead to a decrease in the demand for hotel rooms and adversely impact our operations and financial results. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

61. ***Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.***

We are incorporated in India and our assets are located in India. Consequently, our performance and liquidity of the Equity Shares may be affected by any changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

In recent years, the Indian governments have generally pursued a course of economic liberalisation and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalising rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the current Indian government has pursued a number of other economic reforms, including the introduction of a goods and services tax and reduced corporate taxation.

There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. There may be change in the existing framework of policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth. In the past, government corruption scandals and protests against economic reforms, as well as social and ethnic instability and terrorist incidents have hampered the implementation of economic reform.

The government policies have impacted sentiments and the economy and the rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

62. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition.***

Our restated Ind AS consolidated summary statement of assets and liabilities of the Group as at June 30, 2019 and March 31, 2019, March 31, 2018 and March 31, 2017 and the restated Ind AS consolidated summary statement of profit and loss, restated Ind AS consolidated summary statement of changes in equity and restated Ind AS consolidated summary statement of cash flows for the three months period ended June 30, 2019 and for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 of the Company together with the summary of significant accounting policies, and other explanatory information thereon, have been derived from our audited financial statements as at and for the three months period ended June 30, 2019 and as at and for the year ended March 31, 2019, March 31, 2018 and March 31, 2017, prepared in accordance with the Ind AS notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019) issued by ICAI. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with generally accepted accounting principles including Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

63. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, changes in corporate tax rate may affect our business, prospects and results of operations. Moreover, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**"). The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases in taxation or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

In addition, the General Anti-Avoidance Rules ("**GAAR**") became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefits to an arrangement, among other consequences. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into. In the absence of any such precedents on the subject, the application of these provisions is uncertain.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

Our Company is incorporated under the laws of India, majority of our Directors and all of our Promoters, Key Management Personnel and senior management personnel reside in India. Majority of our assets, and the assets of certain of our Promoters, Directors, Key Management Personnel and other senior management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedures, 1908 (the "**Civil Code**"). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment.

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

65. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

66. *The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.*

Indian securities markets may not be comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced fluctuations in the prices of listed securities. Indian stock exchanges may have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes may have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

67. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Further, limitations on foreign debt may have an adverse effect on our business, results of operations, cash flows and financial condition. Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have an adverse effect on the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. In addition, shareholders who seek to convert the Indian rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. The GoI may also impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the GoI's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

68. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.***

The Competition Act, was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset-and turnover-based thresholds to be mandatorily notified to, and pre-approved by, the CCI. In addition, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

69. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

Risks Relating to the Offer

70. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

71. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

72. ***You may not be able to sell, any of the Equity Shares you purchase in the Offer immediately on an Indian stock exchange.***

The Equity Shares will be listed on the Stock Exchanges in India. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant and listing is expected to commence within the period as may be prescribed under applicable law. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict your ability to dispose of the Equity Shares.

73. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the Selling Shareholders and the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 98 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoters and other major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding. The disposal of Equity Shares by our Promoters or any of our Company's other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Further, we cannot assure you that our Promoters and other major shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

74. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by the equity shareholders of such company.

However, if the law of the jurisdiction that you are located in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell them for your benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

75. ***Shareholders may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares is generally taxable in India. Any gain realized on the sale of listed equity shares on or before March 31, 2018, on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if securities transaction tax, or STT, has been paid on the sale transaction and, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or before October 1, 2004, except in the case of such acquisitions of such equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains arising from sale of equity shares on or after April 1, 2018. However, where specified conditions are met, such long term capital gains are only taxed to the extent they exceed ₹100,000 and unrealised capital gains earned up to January 31, 2018 continue to be exempt. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to the payment of STT, on the sale of Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

SECTION III: INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 204 and 302, respectively.

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Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Restated Summary of Assets and Liabilities

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
ASSETS				
Non-current assets				
Property, plant and equipment	8,427.40	8,470.11	8,442.68	8,310.55
Right of use asset	2,277.33	2,279.77	2,236.48	2,263.06
Capital work-in-progress	348.32	314.87	233.76	294.30
Intangible assets	29.28	31.08	24.40	20.87
Investment in joint venture	-	-	30.17	5.60
Financial assets				
A) Investments	0.21	0.21	0.33	0.46
B) Loans	51.02	54.26	62.65	61.41
C) Other financial assets	38.40	37.89	35.60	32.74
Non current tax assets (net)	28.74	20.50	111.50	96.82
Other non current assets	133.75	131.00	121.55	210.67
Total non current assets	**11,334.45**	**11,339.69**	**11,299.12**	**11,296.48**
Current assets				
Inventories	126.58	139.68	168.85	144.54
Financial assets				
A) Trade receivables	279.25	271.15	271.70	267.91
B) Cash and cash equivalents	72.48	39.72	78.54	30.28
C) Bank balance other than included in cash and cash equivalents above	2.92	2.92	2.86	3.90
D) Loans	365.05	222.72	4.88	283.75
E) Other financial assets	105.32	99.00	95.50	47.21
Current tax assets (net)	25.64	70.25	-	-
Other current assets	198.05	168.02	168.34	248.85
Total current assets	**1,175.29**	**1,013.46**	**790.67**	**1,026.44**
Total assets	**12,509.74**	**12,353.15**	**12,089.79**	**12,322.92**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	174.66	174.66	174.66	188.82
Other equity	5,675.02	5,698.75	5,638.85	5,998.77
Equity attributable to owners of Apeejay Surrendra Park Hotels Limited	**5,849.68**	**5,873.41**	**5,813.51**	**6,187.59**
Non controlling interests	1.12	1.38	1.73	1.04
Total equity	**5,850.80**	**5,874.79**	**5,815.24**	**6,188.63**
Non-current liabilities				
Financial liabilities				
A) Borrowings	3,836.18	3,891.28	3,838.15	3,794.07
B) Lease liabilities	71.44	65.94	8.87	14.11
C) Other financial labilities	0.30	0.27	0.27	0.27
Other non current liabilities	-	-	106.89	237.70
Provisions	65.75	52.49	42.72	-
Deferred tax liabilities (net)	601.72	614.99	639.38	514.82
Total non current liabilities	**4,575.39**	**4,624.97**	**4,636.28**	**4,560.97**
Current liabilities				
Financial liabilities				
A) Borrowings	674.63	521.82	554.89	417.45
B) Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	0.59	0.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	458.03	431.48	323.37	461.23
C) Lease liabilities	16.97	18.19	6.18	5.10
D) Other financial liabilities	688.78	644.79	557.10	484.74
Other current liabilities	176.49	165.55	132.81	134.30
Provisions	68.65	71.56	57.43	69.91
Current tax liabilities (net)	-	-	5.90	-
Total current liabilities	**2,083.55**	**1,853.39**	**1,638.27**	**1,573.32**
Total liabilities	**6,658.94**	**6,478.36**	**6,274.55**	**6,134.29**
Total equity and liabilities	**12,509.74**	**12,353.15**	**12,089.79**	**12,322.92**

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Restated Summary of Profit and Loss

		Three months period ended June 30, 2019		Year ended 31 March 2019		Year ended 31 March 2018		Year ended 31 March 2017
Income								
Revenue from contracts with customers		939.84		4,212.91		3,828.84		3,493.54
Other income		57.37		96.59		55.02		212.69
Total income		**997.21**		**4,309.50**		**3,883.86**		**3,706.23**
Expenses								
Consumption of provisions, beverages, wines/liquor and smokes		152.80		687.00		596.70		563.76
Employee benefits expenses		211.02		809.39		802.81		765.10
Finance costs		117.64		498.30		418.89		441.08
Depreciation and amortization expenses		78.32		309.87		306.14		274.93
Other expenses		466.42		1,885.67		1,693.02		1,603.52
Total expenses		**1,026.20**		**4,190.23**		**3,817.56**		**3,648.39**
Restated profit/(loss) before share of profit/(loss) of joint venture and tax		(28.99)		119.27		66.30		57.84
Share of profit/(loss) of joint venture		-		2.84		0.82		(9.37)
Foreign currency translation reserve reclassified from other comprehensive income on discontinuance of equity method in relation to a joint venture		-		-		-		12.93
Restated profit/(loss) before tax		**(28.99)**		**122.11**		**67.12**		**61.40**
Tax expenses								
Current tax	-		29.63		19.94		20.40	
Less: MAT credit entitlement	-	-	(29.17)	0.46	(19.89)	0.05	(20.40)	-
Adjustment of tax relating to earlier periods		-		15.42		-		-
Deferred tax charge/(credit)		(10.67)		9.07		146.06		(41.79)
Restated profit/(loss) for the period/year		**(18.32)**		**97.16**		**(78.99)**		**103.19**
Restated other comprehensive income/(loss) ('OCI')								
Items that will be reclassified to profit or loss in subsequent periods								
Exchange difference on translation of foreign operations		-		-		23.89		*
Less : Foreign currency translation reserve reclassified to profit or loss on discontinuance of equity method in relation to a joint venture		-		(27.35)		-		(12.93)
Items that will not be reclassified to profit or loss in subsequent periods								
Re-measurements of post employment benefit obligations		(8.27)		(14.55)		(5.18)		(12.28)
Income tax related to above items		2.60		4.29		1.61		3.79
Restated other comprehensive income/(loss) for the period/year, net of tax		**(5.67)**		**(37.61)**		**20.32**		**(21.42)**
Restated total comprehensive income/(loss) for the period/year, net of tax		**(23.99)**		**59.55**		**(58.67)**		**81.77**
Restated profit/(loss) for the period/year attributable to								
Equity shareholders of parent Company		**(18.06)**		**97.51**		**(79.68)**		**102.77**
Non-controlling interests		**(0.26)**		**(0.35)**		**0.69**		**0.42**
Restated other comprehensive income/(loss) for the period/year attributable to								
Equity shareholders of parent Company		**(5.67)**		**(37.61)**		**20.32**		**(21.42)**
Non-controlling interests		*		*		*		*
Restated total other comprehensive income/(loss) for the period/year attributable to								
Equity shareholders of parent Company		**(23.73)**		**59.90**		**(59.36)**		**81.35**
Non-controlling interests		**(0.26)**		**(0.35)**		**0.69**		**0.42**
Restated earnings per equity share								
Basic - INR		**(0.10)**		**0.56**		**(0.43)**		**0.54**
Diluted - INR		**(0.10)**		**0.56**		**(0.43)**		**0.54**

* Below rounding off norms

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Restated Statement of Cash Flows

	Period ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
A. Operating activities				
Restated profit / (loss) before tax	**(28.99)**	**122.11**	**67.12**	**61.40**
Adjustments to reconcile restated profit / (loss) before tax to net cash flows:				
Depreciation and amortization expenses	78.32	309.87	306.14	274.93
Loss on disposal/sale of tangible assets	0.38	15.58	11.85	0.37
Interest on advances, deposits and tax refunds	(6.54)	(56.15)	(15.94)	(8.59)
Interest income on deferred employee loan	*	-	-	(0.28)
Finance costs	117.64	498.30	418.89	441.08
Bad debts/advance written off	9.00	0.86	4.90	2.47
Liabilities no longer required written back	(0.30)	(8.61)	(8.34)	(13.31)
Provision for doubtful debts no longer required written back	(15.22)	(4.96)	(0.66)	(0.17)
Fair Value loss on financial assets (investments) at FVTPL	-	-	0.07	*
Share of profit/(loss) of joint venture	-	(2.84)	(0.82)	9.37
(Profit)/loss on sale of investment in joint venture	-	5.69	-	(0.15)
Foreign currency translation reserve reclassified from OCI on discontinuance of equity method in relation to a joint venture	-	-	-	(12.93)
Allowance for credit impaired debts and advances / Provision for doubtful debts and advances	5.40	35.16	10.88	57.57
Operating restated profit before current and non current assets and liabilities	**159.69**	**915.01**	**794.09**	**811.76**
Changes in current and non current assets and liabilities:				
Increase in current/non-current provisions	2.08	9.35	25.06	34.71
(Decrease)/increase in current/non-current other financial liabilities	18.05	21.38	8.15	(9.30)
(Decrease)/increase in current/non-current other liabilities	10.94	(74.15)	(132.30)	(27.61)
(Decrease)/increase in trade payables	26.85	121.02	(129.47)	83.11
(Increase)/decrease in trade receivables	(7.24)	(34.52)	(29.58)	10.81
(Increase)/decrease in current/non-current other financial assets	(21.27)	45.17	(65.85)	55.20
(Increase)/decrease in current/non-current other assets	(32.82)	(10.07)	180.30	(1.53)
(Increase)/decrease in inventories	13.10	29.17	(24.31)	(16.94)
	9.69	**107.35**	**(168.00)**	**128.45**
Direct tax refund/(paid) (net)	36.37	(30.20)	(26.42)	(22.80)
Net cash flows from operating activities (A)	**205.75**	**992.16**	**599.67**	**917.41**
B. Investing activities :				
Purchase of property, plant and equipment and intangible assets	(58.41)	(415.38)	(391.96)	(245.18)
Proceeds from sale of property, plant and equipment	-	4.91	26.81	0.40
Loans taken/repaid during the year	(139.09)	(209.45)	277.63	(220.00)
Funds placed/withdrawn in long-term deposits with bank	-	(0.06)	1.04	0.83
Interest income received	20.98	5.19	28.34	8.63
Proceeds from sale of investments	-	0.15	0.10	0.10
Payment from buy back of equity shares	-	-	(314.72)	-
Net cash flows used in investing activities (B)	**(176.52)**	**(614.64)**	**(372.76)**	**(455.22)**
C. Financing activities :				
Proceeds from non-current borrowings	9.70	488.68	1,186.70	2,215.22
Proceeds/(repayment) from/of current borrowings (net)	152.84	(33.07)	137.45	(372.15)
Repayment of non-current borrowings	(55.10)	(369.53)	(1,080.60)	(1,828.92)
Payment of lease liabilities	(4.49)	(7.34)	(6.98)	(6.21)
Finance costs paid	(114.96)	(495.37)	(421.44)	(462.05)
Net cash flows used in financing activities (C)	**(12.01)**	**(416.63)**	**(184.87)**	**(454.11)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	17.22	(39.11)	42.04	8.08
Cash and cash equivalents at the beginning of the period/year	33.21	72.32	30.28	22.20
Cash and cash equivalents at the end of the period/year	**50.43**	**33.21**	**72.32**	**30.28**
Cash and cash equivalents comprise				
Cash on hand	20.73	18.38	13.65	17.04
Cheques on hand	4.35	4.18	3.87	0.98
Balances with banks:				
- On current accounts	44.50	17.16	60.86	12.11
- Deposits with original maturity of less than three months	2.90	-	0.16	0.15
Book overdraft	(22.05)	(6.51)	(6.22)	-
	50.43	**33.21**	**72.32**	**30.28**

* Below rounding off norms

THE OFFER

The following table summarises details of the Offer:

Offer	Up to [●] Equity Shares aggregating up to ₹ 10,000 million
of which	
Fresh Issue[1]	Up to [●] Equity Shares aggregating up to ₹ 4,000 million
Offer of Sale[1][2] comprises:	Up to [●] Equity Shares aggregating up to ₹ 6,000 million
A) Promoter Selling Shareholder	
(i) Apeejay Surrendra Trust (through its Trustee)	Up to [●] Equity Shares aggregating up to ₹ 1,254.12 million
B) Promoter Group Selling Shareholders	
(i) Apeejay Private Limited	Up to [●] Equity Shares aggregating up to ₹ 3,549.50 million
(ii) Apeejay House Private Limited	Up to [●] Equity Shares aggregating up to ₹ 847.30 million
C) Investor Selling Shareholders	
(i) RECP IV Park Hotel Investors Ltd	Up to [●] Equity Shares aggregating up to ₹ 332.05 million
(ii) RECP IV Park Hotel Co-Investors Ltd	Up to [●] Equity Shares aggregating up to ₹ 17.03 million
of which	
Employee Reservation Portion[3][4]	Up to [●] Equity Shares aggregating up to ₹ [●] million
Accordingly	
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:	
(i) QIB Portion[5][6]	Not less than [●] Equity Shares
of which:	
(a) Anchor Investor Portion	Up to [●] Equity Shares
of which:	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(b) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(i) Mutual Fund Portion	[●] Equity Shares
(ii) Balance for all QIBs including Mutual Funds	[●] Equity Shares
(ii) Non-Institutional Portion	Not more than [●] Equity Shares
(iii) Retail Portion	Not more than [●] Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	174,661,760 Equity Shares
Equity Shares outstanding after the Offer*	[●] Equity Shares
Use of proceeds of the Offer	See "*Objects of the Offer*" on page 90 for information about the use of the Net Proceeds of the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

** To be updated upon finalization of the Offer Price.*

(1) The Offer has been authorized by a resolution of our Board dated December 21, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated December 23, 2019. For details on authorisations of the Selling Shareholders in relation to the Offer, see "Other Regulatory and Statutory Disclosures" on page 352.

(2) The Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered by each of them are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Pursuant to (i) consent letter dated December 21, 2019 from the Promoter Selling Shareholder and resolution of the Board of Trustees of the Promoter Selling Shareholder dated December 21, 2019; (ii) resolution of the board of directors of the Promoter Group Selling Shareholder 1 dated December 21, 2019, read with consent letter dated December 21, 2019; (iii) resolution of the board of directors of the Promoter Group Selling Shareholder 2 dated December 21, 2019, read with consent letter dated December 21, 2019, read with consent letter dated December 21, 2019; and (iii) resolutions both dated December 26, 2019 passed by the respective board of directors of the Investor Selling Shareholders, read with respective consent letters both dated December 26, 2019, the Selling Shareholders have approved and consented to participate in the Offer for Sale.

(3) Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for

allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer and subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than in the QIB Portion), spill over to the extent of such under-subscription shall be permitted to the Employee Reservation Portion subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.

(4) *Our Company in consultation with the Selling Shareholders and the BRLMs, may offer an Employee Discount of up to [●]% (equivalent of ₹ [●]) per Equity Share, which shall be announced at least two Working Days prior to Bid/Offer Opening Date.*

(5) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from other category or a combination of categories of Bidders at the discretion of our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange, subject to applicable law. Further, a Bidder bidding in the Employee Reservation Portion cam also Bid under the Net Offer and such Bids will not be treated as multiple Bids. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "Terms of the Offer" on page 364.*

(6) *Our Company, in consultation with the Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in terms of the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added back to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 373.*

Allocation to all categories, other than Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "*Offer Procedure*" on page 373.

For details of the terms of the Offer, see "*Terms of the Offer*" on page 364.

GENERAL INFORMATION

Our Company was originally incorporated at Karnataka on November 27, 1987, as Budget Hotels Limited, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 27, 1987 issued by the Registrar of Companies, Bangalore at Karnataka. Subsequently, pursuant to an acquisition agreement dated May 5, 1999 entered between Apeejay Hotels Delhi and the erstwhile shareholders of our Company, the entire issued and paid up equity share capital of our Company constituting 571,940 equity shares of face value of ₹ 100 each, was acquired by Apeejay Hotels Delhi and our Company became the wholly owned subsidiary of Apeejay Hotels Delhi. Subsequently, pursuant to the scheme of amalgamation approved vide orders of the High Court of Madras dated June 13, 2003, High Court of Delhi dated August 6, 2003, and High Court of Karnataka dated September 17, 2003, Apeejay Hotels Delhi, and Gemini Hotels and Holdings Limited (a wholly owned subsidiary of Apeejay Hotels Delhi) were amalgamated with our Company, with the appointed date being April 1, 2001.

Thereafter, to closely identify the association of our Company with the Apeejay Surrendra Group, the name of our Company was changed from Budget Hotels Limited to Apeejay Surrendra Park Hotels Limited, pursuant to the resolution passed by our Shareholders at their EGM held on March 8, 2004 and the certificate of incorporation pursuant to change of name was issued by the RoC on March 29, 2004. Further, pursuant to our Shareholders' resolution dated November 30, 2016 and order dated June 22, 2017 passed by the Regional Director, South East Region, Hyderabad, the registered office was shifted from the State of Karnataka to State of West Bengal. For further details relating to changes in the registered office and name of our Company, see "*History and Certain Corporate Matters*" on page 169.

Registered Office of our Company
Apeejay Surrendra Park Hotels Limited
17, Park Street
Kolkata – 700 016
West Bengal, India
Registration Number: 061169
CIN: U85110WB1987PLC222139

Corporate Office of our Company
The Park Hotels, N-80,
Connaught Place,
New Delhi 110 001

Address of the Registrar of Companies

Our Company is registered with the RoC, situated at the following address:

The Registrar of Companies, West Bengal at Kolkata
Nizam Palace
2nd MSO Building
2nd Floor, 234/4
A.J.C. Bose Road
Kolkata – 700 020
West Bengal, India

Board of Directors

As on the date of this Draft Red Herring Prospectus, the composition of our Board is as set forth below:

Name	Designation	DIN	Address
Vijay Dewan	Managing Director	00051164	501, The Park, 17 Park Street, Kolkata – 700 016
Karan Paul	Non-Executive Director	00007240	13A, Alipore Road, Kolkata, 700 027
Priya Paul	Chairperson and Non-Executive Director	00051215	2, Aurangzeb Lane, New Delhi – 110 011
Ashoke Ghosh	Non-Executive Director	00051311	234 Jodhpur Park, 3rd Floor, Kolkata – 700 068
Debanjan Mandal	Independent Director	00469622	93/3A/2, Acharya Prafulla Chandra Road,

Name	Designation	DIN	Address
			Kolkata – 700 009
Suresh Kumar	Independent Director	02741371	D56, Panchsheel Enclave, New Delhi – 110 017
Suneeta Reddy	Independent Director	00001873	No. 14D, Boat Club Road, Raja Annamalaipuram, Chennai – 600 028
Ragini Chopra	Independent Director	07654254	B-116, 1st Floor, Neeti Bagh, New Delhi – 110 049

For further details of our Directors, see "*Our Management*" on page 178.

Company Secretary and Compliance Officer

Shalini Keshan
17, Park Street
Kolkata – 700 016
West Bengal, India
Telephone number: +91 33 2249 9000
Email: skeshan@theparkhotels.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, unblocking of funds and non-receipt of funds by electronic mode. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All grievances in relation to the Offer, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai – 400 020

Axis Capital Limited
1st Floor, C-2, Axis House
Wadia International Centre
Pandurang Budhkar Marg, Worli

Maharashtra, India
Telephone number: +91 22 2288 2460
E-mail: parkhotels.ipo@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Rishi Tiwari/ Nidhi Wangnoo
SEBI Registration Number: INM000011179

Mumbai – 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: parkhotels.ipo@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Akash Aggarwal / Sagar Jatakiya
SEBI Registration Number: INM000012029

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai – 400 025
Maharashtra, India
Telephone number: +91 22 6630 3030
E-mail: parkhotels.ipo@jmfl.com
Website: www.jmfl.com
Contact person: Prachee Dhuri
SEBI Registration Number: INM000010361

Syndicate Members

[●]

Legal Counsel to our Company, Promoter Selling Shareholder and Promoter Group Selling Shareholders as to Indian law

AZB & Partners
AZB House
Plot No. A-8, Sector 4
Noida – 201 301, India
Telephone number: +91 120 417 9999

Legal Counsel to the Investor Selling Shareholders as to Indian law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai – 400 021, India
Telephone number: +91 22 4933 5555

Legal Counsel to the BRLMs as to Indian law

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai – 400 013, India
Telephone number: +91 22 6636 5000

International Legal Counsel to the BRLMs

Linklaters Singapore Pte. Ltd.
One George Street
#17-01, Singapore 049 145
Telephone number: +65 6692 5891

Statutory Auditors of our Company

S.R. Batliboi & Co LLP, Chartered Accountants

22 Camac Street
Block- B 3rd Floor
Kolkata – 700 016
India
Telephone number: +91 33 6615 3400
E-mail: srbc@srb.in
Firm Registration No.: 301003E/E300005
Peer Review Certificate Number: 011170

Changes in the auditors

Except as disclosed below, there has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of Change	Reason for Change
S. R. Batliboi & Co. LLP, Chartered Accountants 22 Camac Street Block- B 3rd Floor Kolkata – 700 016 India Telephone number: +91 33 6615 3400 E-mail: srbc@srb.in Firm Registration No.: 301003E/E300005 Peer Review Certificate Number: 011170	September 29, 2017	Appointment as statutory auditors of our Company
Price Waterhouse & Co. Bangalore LLP, Chartered Accountants Plot No. Y-14, Block EP, Sector V, Salt Lake, Kolkata – 700 091 E-mail: ap.xo@in.pwc.com Firm Registration No.: 0075675/S-200012 Peer Review No.: 009966	September 29, 2017	Retirement as statutory auditors of our Company

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra , India
Telephone number: +91 22 4918 6200
E-mail: parkhotels.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance e-mail: parkhotels.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration number: INR000004058

Banker(s) to the Offer

[●]

Bankers to our Company

ICICI Bank Limited
3A, Gurusaday Road
Kolkata – 700 019, India
Telephone number: +91 33 4424 8563
Email: pritesh.ranjan@icicibank.com

The Federal Bank Limited
2B, Regency 6 Hungerford Street, Elgin
Kolkata – 700 017, India
Telephone number: +91 8777632950
Email: arnabghosh@federalbank.co.in

HDFC Bank Limited
Uniworth House
3A, Gurusaday Road
Kolkata – 700 019, India
Telephone number: +91 33 6638 4123
Email: shajan.varghese@hdfcbank.com

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder, (other than an RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks eligible as Issuer Banks for UPI

The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Inter-se allocation of responsibilities:

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	ISEC, Axis, JM	ISEC
2.	Drafting and approval of all statutory advertisement	ISEC, Axis, JM	ISEC
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	ISEC, Axis, JM	JM
4.	Appointment of Intermediaries - Registrar to the Offer, Advertising Agency, Printers, Monitoring Agency, Bankers to the Offer including co-ordination for agreements.	ISEC, Axis, JM	Axis
5.	International institutional marketing of the Offer, which will cover, *inter alia*: • Preparation of road show presentation and FAQs for the road show team • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	ISEC, Axis, JM	JM
6.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	ISEC, Axis, JM	ISEC
7.	Conduct non-institutional and retails marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at non institutional and retail road shows • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	ISEC, Axis, JM	Axis
8.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange, anchor coordination and intimation of anchor allocation.	ISEC, Axis, JM	JM
9.	Managing the book and finalization of pricing.	ISEC, Axis, JM	ISEC
10.	Post-Offer activities, which shall involve essential follow-up steps including follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer	ISEC, Axis, JM	Axis

Sr. No	Activity	Responsibility	Co-ordinator
	activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI		

Monitoring Agency

Our Company shall appoint a monitoring agency in relation to the Fresh Issue, as required under Regulation 41 the SEBI ICDR Regulations prior to filing of the Red Herring Prospectus with the RoC.

Experts

Our Company has received written consent dated December 30, 2019 from S.R. Batliboi & Co LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 27, 2019 on our Restated Financial Statements; and (ii) their report dated December 27, 2019 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Appraising Agency

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

IPO Grading

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

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 and simultaneously through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed would be delivered to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, would be delivered to the RoC, situated at its office at the address mentioned below:

The Registrar of Companies, West Bengal at Kolkata
Registrar of Companies

Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C.B. Road
Kolkata – 700 020
West Bengal, India

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which will be decided by our Company in consultation with the Selling Shareholders and the BRLMs. The Price Band and minimum bid lot size will be advertised in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Bengali newspapers, respectively, Bengali being the regional language of Kolkata, West Bengal, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Selling Shareholders and the BRLMs, after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" on page 373.

All investors, other than Retail Individual Bidders and Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Bidders may participate through the ASBA process by either; (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or; (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion] can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to QIBs (other than Anchor Investors), Non-Institutional Bidders and Eligible Employees bidding in the Employee Reservation Portion will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis.

For details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 364 and 373, respectively.

The process of book building under the SEBI ICDR Regulations and the bidding process are subject to change from time to time and the investors are advised to make their own judgement about investment through this process prior to submitting a Bid in the Offer.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment and filing of the Prospectus with the RoC.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For details, see "*Offer Structure*" and "*Offer Procedure*" on pages 368 and 373, respectively.

Underwriting Agreement

After the determination of the Offer Price, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail of the Underwriters	**Indicated number of Equity Shares to be underwritten**	**Amount underwritten (in ₹ million)**
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned underwriting commitments are indicative only and will be finalized after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with the SEBI ICDR Regulations.

Based on the representation and undertaking made to our Company by the Underwriters, in the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/IPO Committee, at its meeting will accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriter shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders respectively procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscription for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(*in ₹, except share data*)

S. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL[(1)]**		
	350,000,000 equity shares of face value ₹ 1 each	350,000,000	N.A.
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	174,661,760 Equity Shares of face value ₹ 1 each	174,661,760	N.A.
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of [●] Equity Shares *of which*		
	Fresh Issue of [●] Equity Shares[(2)] aggregating up to ₹ 4,000 million	[●]	Up to [●]
	Offer for Sale of up to [●] Equity Shares by the Selling Shareholders aggregating up to ₹ 6,000 million which includes [(3)]	[●]	Up to [●]
	Up to [●] Equity Shares by Apeejay Surrendra Trust (through its Trustee) aggregating up to ₹ 1,254.12 million	[●]	[●]
	Up to [●] Equity Shares by Apeejay House Private Limited aggregating up to ₹ 847.30 million		
	Up to [●] Equity Shares by Apeejay Private Limited aggregating up to ₹ 3,549.50 million	[●]	[●]
	Up to [●] Equity Shares by RECP IV Park Hotel Investors Ltd aggregating up to ₹ 332.05 million	[●]	[●]
	Up to [●] Equity Shares by RECP IV Park Hotel Co-Investors Ltd aggregating up to ₹ 17.03 million	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹ 1 each	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer[(4)]		1,838.12
	After the Offer[(5)]		[●]

* *To be included upon finalization of the Offer Price.*

(1) *For details in relation to the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to our MoA" on page 169.*

(2) *The Offer has been authorized by a resolution of our Board dated December 21, 2019 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated December 23, 2019 and our Board has taken on record the Offer for Sale on December 21, 2019. For details on authorization of the Selling Shareholders in relation to the Offer, please see "Other Regulatory and Statutory Disclosures" and "The Offer" on pages 352 and 68, respectively.*

(3) *The Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered in the Offer for Sale, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations.*

(4) *As on December 24, 2019.*

(5) *The securities premium account consists of the premium received by our Company from the issuance of Equity Shares in the Offer*

Notes to capital structure

1. **Share capital history of our Company**

The following table sets forth the history of the existing share capital of our Company, with effect from November 28, 2003, the Effective Date of scheme of amalgamation of Apeejay Hotels Delhi, Gemini Hotels with our Company*:

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of Allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
November 28, 2003	16,050,000	10	-	Other than cash	Allotment pursuant to scheme of amalgamation[(1)]	16,050,000	160,500,000
July 26, 2007	2,832,353	10	786.74	Cash	Preferential allotment[(2)]	18,882,353	188,823,530

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of Allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (in ₹)
Pursuant to the Board resolution dated December 20, 2017, our Company approved a buy-back of equity shares at a price of ₹ 222.43 per equity share. Pursuant to the buy-back, 1,416,177 equity shares were bought back and extinguished and consequently, the paid-up equity share capital of our Company reduced to 17,466,176 equity shares of face value of ₹ 10 each aggregating to ₹ 174,661,760.(3)							
Pursuant to a resolution of our Shareholders dated October 25, 2019, each equity share of face value of ₹10 each was split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹1 each.							

(1) *Our Company was incorporated on November 27, 1987 as Budget Hotels Limited (name of our Company was subsequently changed to its current name i.e., Apeejay Surrendra Park Hotels Limited). Subsequently, pursuant to an acquisition agreement dated May 5, 1999 entered between the Apeejay Hotels Delhi and the then shareholders of our Company (“**Share Acquisition Agreement**”), the entire shareholding of our Company constituting 571,940 equity shares of face value of ₹ 100 each (“**Pre-Scheme Capital**”), was acquired by Apeejay Hotels Delhi and our Company became the wholly owned subsidiary of the Apeejay Hotels Delhi. Thereafter, in the year 2003, our Company filed a scheme of amalgamation under the Companies Act, 1956 for amalgamation of Apeejay Hotels Delhi (our then holding company) and Gemini Hotels (a wholly-owned subsidiary of Apeejay Hotels Delhi) with our Company (“**Scheme**”) with an appointed date of April 1, 2001. The Scheme was approved vide the orders of the High Courts of Karnataka, Delhi and Madras dated September 17, 2003, March 26, 2003 and June 13, 2003, respectively (“**High Court Orders**”). The effective date of the Scheme was the last date on which the certified copies of the High Court Orders were filed with the appropriate registrar of companies by our Company, Apeejay Hotels Delhi and Gemini Hotels such date being November 28, 2003 (“**Effective Date**”). As on the Effective Date, (i) the entire Pre-Scheme Capital of our Company held by Apeejay Hotels Delhi stood cancelled; (ii) inter-se shareholding between Apeejay Hotels Delhi and Gemini Hotels stood cancelled; and (iii) the shares or the share certificates of Apeejay Hotel Delhi in relation to the shares held by its members stood cancelled. Our Company’s equity shares were also sub-divided from face value of ₹ 100 each to face value of ₹ 10 each.*

*Further, in consideration for the amalgamation, our Company allotted 16,050,000 equity shares of face value ₹ 10 each to the shareholders of Apeejay Hotels Delhi (“**ASPH Shareholders**”), in the ratio of 5:2 (five equity shares of face value ₹ 10 of our Company for every two equity shares held by such ASPH Shareholder in Apeejay Hotels Delhi) in the following manner:*

S. No.	*Name of ASPH Shareholder*	*No. of equity shares of ₹ 10 each allotted*
1.	*Apeejay Engineering Private Limited*	*1,450,000*
2.	*Apeejay Agencies Private Limited*	*1,450,000*
3.	*Apeejay House Private Limited*	*1,450,000*
4.	*Apeejay Private Limited*	*1,449,750*
5.	*Flury’s Swiss Confectionery Private Limited*	*5,250,000*
6.	*Shirin Paul*	*250*
7.	*Jit Paul*	*1,000,000*
8.	*Jit Paul HUF*	*1,000,000*
9.	*Priya Paul*	*1,000,000*
10.	*Surrendra Paul HUF*	*1,000,000*
11.	*Karan Paul*	*1,000,000*

We have been unable to trace the complete set of corporate resolutions, and filings made by our Company for the allotments made between the date of incorporation of our Company and the Effective Date of the Scheme November 28, 2003. Given that the entire Pre-Scheme Capital of our Company held by Apeejay Hotels Delhi was cancelled pursuant to the Scheme, the build-up of our existing equity share capital above has been included from the Effective Date of the Scheme. For details, see “Risk Factors – Internal Risk Factors – Some of our corporate records are not traceable” on page 35.

(2) *Allotment of 2,832,353 equity shares of face value of ₹10 each were made in the following manner – 1,366,610 equity shares of face value of ₹ 10 each to RECP IV Park Hotel Investors Ltd, 49,566 equity shares of face value of ₹ 10 each to RECP IV Park Hotel Co-Investors Ltd, and 1,416,177 equity shares of face value of ₹ 10 each to REFS Park Hotel Investors Limited.*

(3) *1,416,177 equity shares of face value of ₹ 10 each were bought back from REFS Park Hotel Investors Limited.*

* *We have been unable to trace the complete set of corporate resolutions, and filings made by our Company for the allotments made prior to the date of amalgamation of Apeejay Hotels Delhi, Gemini Hotels with Budget Hotels with effect from November 28, 2003. For details, see “Risk Factors – Internal Risk Factors – Some of our corporate records are not traceable” on page 35.*

2. **Shares issued for consideration other than cash or pursuant to a scheme of arrangement**

Except as detailed below, no equity shares have been issued for consideration other than cash by our Company:

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Offer Price per equity share (in ₹)	Reasons for allotment	Benefits accrued to our Company
November 28, 2003	16,050,000	10	-	Allotment to shareholders of Apeejay Hotels Delhi, pursuant to the amalgamation of Apeejay Hotels Delhi, and Gemini Hotels with Budget Hotels, in the ratio of in the ratio of 5: 2, *i.e.*, five equity shares of face value of ₹ 10 of Budget Hotels were allotted to ASPH Shareholders, for every two equity shares of face value of ₹ 10 held by ASPH Shareholders in Apeejay Hotels Delhi (1)	Consolidation of the business, synergy from the combined activity of the entities, and maintenance of the strategic needs of the business and position in the industry.

(1) In consideration for the amalgamation, our Company allotted 16,050,000 equity shares of face value of ₹ 10 each to ASPH Shareholders, in the following manner:

S. No.	*Name of ASPH Shareholder*	*No. of equity shares of ₹ 10 each allotted*
1.	*Apeejay Engineering Private Limited*	*1,450,000*
2.	*Apeejay Agencies Private Limited*	*1,450,000*
3.	*Apeejay House Private Limited*	*1,450,000*
4.	*Apeejay Private Limited*	*1,449,750*
5.	*Flury's Swiss Confectionery Private Limited*	*5,250,000*
6.	*Shirin Paul*	*250*
7.	*Jit Paul*	*1,000,000*
8.	*Jit Paul HUF*	*1,000,000*
9.	*Priya Paul*	*1,000,000*
10.	*Surrendra Paul HUF*	*1,000,000*
11.	*Karan Paul*	*1,000,000*

3. Our Company does not have any outstanding preference shares as on the date of filing the Draft Red Herring Prospectus.

4. Our Company has not issued any equity shares or preference shares out of revaluation of reserves at any time since November 28, 2003, the effective date of the Scheme. For further details, see "*Risk Factors – Internal Risk Factors – Some of our corporate records are not traceable*" on page 35.

5. Except for the allotment of Equity Shares as set forth above in "*– Notes to capital structure – Share capital history of our Company*" on page 79, our Company has not allotted any equity shares pursuant to any scheme of arrangement approved under Sections 230 to 234 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956, as applicable.

6. Our Company does not have any employee stock option schemes as on the date of this Draft Red Herring Prospectus.

7. Our Company has not made any public issue or rights issue in last five years preceding the date of this Draft Red Herring Prospectus.

8. **Issue of shares at a price lower than the Offer Price in the last one year**

   Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus.

9. **History of build-up, Contribution and Lock-in of Promoters' Shareholding**

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold 82,502,500 Equity Shares, which constitute 47.24% of the issued, subscribed and paid-up Equity Share capital of our Company. Set forth below is the build-up of the shareholding of our Promoters since November 28, 2003, the effective date of the Scheme.

Date of allotment/ transfer	**Nature of issue**	**Number of equity shares**	**Nature of consideration**	**Face value (₹)**	**Offer/ transfer price per equity share (₹)***	**Percentage of the pre-Offer capital (%)**	**Percentage of the post-Offer capital (%)**
(A) Karan Paul							
November 28, 2003	Allotment pursuant to scheme of amalgamation	1,000,000	Other than cash	10	–	5.73	[●]
February 7, 2005	Transfer of equity shares of face value of ₹ 10 each from Karan Paul to Apeejay Surrendra Trust#	(999,990)	Other than cash	10	4.02	(5.73)	[●]
Pursuant to a resolution of our Shareholders dated October 25, 2019, each equity share of face value ₹10 each of our Company was split into ten equity shares of face value of ₹ 1 each. Accordingly ten equity shares of face value ₹ 10 each, held by Karan Paul in our Company, was subdivided to 100 equity shares of face value of ₹ 1 each.							
Total (A)		**100**	**–**	**1**	**–**	**Negligible**	**[●]**
(B) Priya Paul							
November 28, 2003	Allotment pursuant to scheme of amalgamation	1,000,000	Other than cash	10	–	5.73	[●]
February 7, 2005	Transfer of equity shares of face value of ₹ 10 each from Priya Paul to Apeejay Surrendra Trust#	(1,000,000)	Other than cash	10	4.02	(5.73)	[●]
Total (B)		**Nil**	**–**	**–**	–	**Nil**	**Nil**
(C) Apeejay Surrendra Trust							
February 7, 2005	Transfer of equity shares of face value of ₹ 10 each from Karan Paul#	999,990	Other than cash	10	4.02	5.73	[●]
February 7, 2005	Transfer of equity shares of face value of ₹ 10 each from Priya Paul#	1,000,000	Other than cash	10	4.02	5.73	
February 7, 2005	Transfer of equity shares of face value of ₹ 10 each from Shirin Paul#	250	Other than cash	10	4	Negligible	
February 7, 2005	Transfer of equity shares of face value of ₹ 10 each from Surrendra Paul HUF#	1,000,000	Other than cash	10	10	5.73	
Pursuant to a resolution of our Shareholders dated October 25, 2019, each equity share of face value ₹10 each of our Company was split into ten equity shares of face value of ₹ 1 each. Accordingly 3,000,240 equity shares of face value ₹ 10 each, held by Apeejay Surrendra Trust (through its Trustee) in our Company, was subdivided to 3,002,400 equity shares of face value of ₹ 1 each.							
Total (C)		**30,002,400**	**–**	**1**	**–**	**17.18**	**[●]**
(D) Flury's Swiss Confectionery							

Date of allotment/ transfer	Nature of issue	Number of equity shares	Nature of consideration	Face value (₹)	Offer/ transfer price per equity share (₹)*	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
November 28, 2003	Allotment pursuant to scheme of amalgamation	5,250,000	Other than cash	10	_	30.06	[●]
Pursuant to a resolution of our Shareholders dated October 25, 2019, each equity share of face value ₹10 each of our Company was split into ten equity shares of face value of ₹ 1 each. Accordingly 5,250,000 equity shares of face value ₹ 10 each, held by Flury's Swiss Confectionery in our Company, was subdivided to 52,500,000 equity shares of face value of ₹ 1 each.							
Total (D)		**52,500,000**		**1**	**_**	**30.06**	**[●]**

We have been unable to trace the share transfer forms for the shares transferred by Karan Paul, Priya Paul, Shirin Paul and Surrendra Paul HUF to Apeejay Surrendra Trust (through its Trustee). For the details with respect to the shares transferred, we have relied on the minutes of the meeting of the Board dated February 7, 2005 and the audited financial statements of the Apeejay Surrendra Trust for the year ended March 31, 2005. For details, see "Risk Factors – Internal Risk Factors – Some of our corporate records are not traceable" on page 35.
**The price assigned to the transfer is based on the investment schedule forming a part of the audited financial statements of the Apeejay Surrendra Trust for Fiscal 2005.*

There are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares held by our Promoters were fully paid-up as on the respective dates of the allotment/transfer of such Equity Shares.

None of the Equity Shares held by our Promoters have been pledged as on the date of this Draft Red Herring Prospectus.

(b) The details of the shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
(A) Promoters			
1.	Karan Paul*	100	Negligible
2.	Priya Paul*	Nil	Nil
3.	Apeejay Surrendra Trust (through its Trustee)	30,002,400	17.18
4.	Flury's Swiss Confectionery#	52,500,000	30.06
Total (A)		**82,502,500**	**47.24**
(B) Promoter Group			
1.	Apeejay Engineering Private Limited	14,500,000	8.30
2.	Apeejay Agencies Private Limited	14,500,000	8.30
3.	Apeejay House Private Limited	14,500,000	8.30
4.	Apeejay Private Limited	34,497,500	19.75
Total (B)		**116,996,250**	**44.65**
Total (A+B)		**160,500,000**	**91.89**

**Apeejay Surrendra Trust, (through its Trustee), directly holds 17.18 % of our Company. Karan Paul, Priti Paul and Priya Paul are equal beneficiaries of the Trust.*
 # Directors of the Flury's Swiss Confectionery do not hold Equity Shares in our Company.
*Note: Pursuant to the Share Transfer Agreement entered between the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**") and the Promoters, the Investors shall transfer 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares to the Promoters or any of its affiliates (as indicated by Promoters), within 45 days of the Promoter Entitlement Date i.e. December 23, 2019. For details, see "History and Certain Corporate Matters" on page169.*

None of our Promoters, members of our Promoter Group, our Directors and their relatives, or the directors of the Flury's Swiss Confectionery, have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

There have been no financing arrangements whereby our Promoters, the members of our Promoter Group, our Directors and their relatives, or the directors of the Flury's Swiss Confectionery, have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

(c) Details of Promoters' contribution and lock-in

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment as minimum promoters' contribution ("**Minimum Promoters' Contribution**").

(ii) Details of the Equity Shares to be locked-in as Minimum Promoters' Contribution are set forth in the table below.

Name of the Promoter	Number of Equity Shares locked-in(1)(2)	Date of Allotment/ transfer*	Face value per Equity Share (in ₹)	Offer / Acquisition Price per Equity Shares (in ₹)	Nature of transaction	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital	Date up to which the Equity Shares shall be locked-in
[●]	[●]	[●]	1	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	1	[●]	[●]	[●]	[●]	[●]
Total	[●]					[●]	[●]	

**Subject to finalization of Basis of Allotment*

(1) For a period of three years from the date of Allotment

(2) All Equity Shares were fully paid-up at the time of Allotment

Note: The entire issued and paid up equity share capital held by our Promoters as on the date of filing this Draft Red Herring Prospectus, constituting 82,502,500 Equity Shares, is eligible for computation of Minimum Promoters' Contribution. Details with respect to Equity Shares locked in for Minimum Promoters' Contribution in the table above, will be completed at the Prospectus stage.

For details on the build-up of the Equity Share capital held by our Promoters, see "*– Build-up of Promoters' shareholding in our Company*" on page 81.

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

(e) The Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this regard we confirm that:

(i) the Equity Shares offered as part of the Minimum Promoters' Contribution do not include (i) Equity Shares acquired during the three years immediately preceding the date of this Draft Red Herring Prospectus for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, (b) Equity Shares pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

(ii) the Minimum Promoters' Contribution does not include any Equity Shares acquired during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and

(iii) our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;

(iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge.

(f) Details of other lock-in requirements

In addition to the 20% of the fully diluted post-Offer share capital of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, including any unsubscribed portion of the Offer for Sale, as prescribed under the SEBI ICDR Regulations, except Equity Shares which are successfully transferred as part of the Offer for Sale by the Selling Shareholders.

The Equity Shares held by our Promoters, which are locked-in may be transferred to and amongst the members of our Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

Equity Shares held by the Promoters and locked-in for a period of three years, may be pledged as a collateral security for a loan granted to our Company or its subsidiaries for the purpose of financing one or more of the objects of the Issue, by a scheduled commercial bank or a public financial institution or a systemically important non-banking finance company or a housing finance company, provided the pledge of Equity Shares is one of the terms of sanction of the loan.

Equity Shares held by the Promoters and locked-in for a period of one year, may be pledged as a collateral security for a loan granted by a scheduled commercial bank or a public financial institution or a systemically important non-banking finance company or a deposit accepting housing finance company registered with the National Housing Bank for carrying on the business of housing finance, provided the pledge of Equity Shares is one of the terms of sanction of the loan.

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

10. **Our shareholding pattern**

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class (Equity)	Class (Others)	Total								
(A)	Promoters and Promoter Group	7	160,500,000	Nil	Nil	160,500,000	91.89	160,500,000	NA	160,500,000	91.89	Nil	91.89	Nil	Nil	Nil	Nil	160,500,000
(B)	Public*	2	14,161,760	Nil	Nil	14,161,760	8.11	14,161,760	NA	14,161,760	8.11	Nil	8.11	Nil	Nil	Nil	Nil	-
(C)	Non Promoter – Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying Depository Receipts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by Employee Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	9	174,661,760	Nil	Nil	174,661,760	100	174,661,760	NA	174,661,760	100	Nil	100	Nil	Nil	Nil	Nil	160,500,000

** Pursuant to the Share Transfer Agreement entered between the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**") and the Promoters, the Investors shall transfer 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares to the Promoters or any of its affiliates (as indicated by Promoters), within 45 days of the Promoter Entitlement Date i.e., December 23, 2019. For details, see "History and Certain Corporate Matters" on page 169.*

11. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of the Equity Shares of our Company.

12. All the Equity Shares held by our Promoters and members of our Promoter Group, are held in dematerialised form as at the date of this Draft Red Herring Prospectus.

13. Except Karan Paul, none of the Directors or Key Managerial Personnel of our Company holds any Equity Shares in our Company. For details, see "*Our Management - Shareholding of our Directors in our Company*" on page 183.

14. **Details of equity shareholding of major equity shareholders of our Company**

(a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has nine Shareholders.

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	Flury's Swiss Confectionery	52,500,000	30.06
2.	Apeejay Private Limited	34,497,500	19.75
3.	Apeejay Surrendra Trust (through its Trustee)	30,002,400	17.18
4.	Apeejay House Private Limited	14,500,000	8.30
5.	Apeejay Agencies Private Limited	14,500,000	8.30
6.	Apeejay Engineering Private Limited	14,500,000	8.30
7.	RECP IV Park Hotel Investors Ltd	13,666,100	7.82
	Total	174,166,000	99.71

*Note: Pursuant to the Share Transfer Agreement entered between the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**") and the Promoters, the Investors shall transfer 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares to the Promoters or any of its affiliates (as indicated by Promoters), within 45 days of the Promoter Entitlement Date i.e,. December 23, 2019. For details, see "History and Certain Corporate Matters" on page 169.*

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis and the number of Equity Shares held by them, 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	Flury's Swiss Confectionery	52,500,000	30.06
2.	Apeejay Private Limited	34,497,500	19.75
3.	Apeejay Surrendra Trust (through its Trustee)	30,002,400	17.18
4.	Apeejay House Private Limited	14,500,000	8.30
5.	Apeejay Agencies Private Limited	14,500,000	8.30
6.	Apeejay Engineering Private Limited	14,500,000	8.30
7.	RECP IV Park Hotel Investors Ltd	13,666,100	7.82
	Total	174,166,000	99.71

*Note: Pursuant to the Share Transfer Agreement entered between the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**") and the Promoters, the Investors shall transfer 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares to the Promoters or any of its affiliates (as indicated by Promoters), within 45 days of the Promoter Entitlement Date i.e,. December 23, 2019. For details, see "History and Certain Corporate Matters" on page 169.*

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis and the number of equity shares held by them, one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares held*	Percentage of pre-Offer Equity Share capital (%)

S. No.	Name of the Shareholder	Number of equity shares held*	Percentage of pre-Offer Equity Share capital (%)
1.	Flury's Swiss Confectionery	52,50,000	30.06
2.	Apeejay Private Limited	34,49,750	19.75
3.	Apeejay Surrendra Trust (through its Trustee)	30,00,240	17.18
4.	Apeejay House Private Limited	14,50,000	8.30
5.	Apeejay Agencies Private Limited	14,50,000	8.30
6.	Apeejay Engineering Private Limited	14,50,000	8.30
7.	RECP IV Park Hotel Investors Ltd	13,66,610	7.82
	Total	17,416,600	99.71

* *Total number of equity shares excludes the increase in the number of equity shares due to subdivision of share capital of the Company.*

(e) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis and the number of equity shares held by them, two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares held*	Percentage of pre-Offer Equity Share capital (%)
1.	Flury's Swiss Confectionery	52,50,000	30.06
2.	Apeejay Private Limited	34,49,750	19.75
3.	Apeejay Surrendra Trust (through its Trustee)	30,00,240	17.18
4.	Apeejay House Private Limited	14,50,000	8.30
5.	Apeejay Agencies Private Limited	14,50,000	8.30
6.	Apeejay Engineering Private Limited	14,50,000	8.30
7.	RECP IV Park Hotel Investors Ltd	13,66,610	7.82
	Total	17,416,600	99.71

* *Total number of equity shares excludes the increase in the number of equity shares due to subdivision of share capital of the Company.*

(f) Set forth below is a shareholding of the Selling Shareholders in the Company

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)#
Selling Shareholders				
1.	Apeejay Surrendra Trust (through its Trustee)	30,002,400	17.18	[●]
2.	Apeejay Private Limited	34,497,500	19.75	[●]
3.	Apeejay House Private Limited	14,500,000	8.30	[●]
4.	RECP IV Park Hotel Investors Ltd*	13,666,100	7.82	[●]
5.	RECP IV Park Hotel Co-Investors Ltd*	495,660	0.28	[●]
Total (C)		**93,161,660**	**53.33**	

* *Pursuant to the Share Transfer Agreement entered between the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd (together "**Investors**") and the Promoters, the Investors shall transfer 2.29% of the total issued, paid-up share capital of the Company, constituting 3,999,760 Equity Shares to the Promoters or any of its affiliates (as indicated by Promoters), within 45 days of the Promoter Entitlement Date i.e., December 23, 2019. For details, see "History and Certain Corporate Matters" on page 169.*

 # Subject to finalisation of Basis of Allotment.

15. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

16. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares on the date of this Draft Red Herring Prospectus.

17. The Equity Shares offered for sale by the Selling Shareholders have been held by them for at least one year prior to the date of this Draft Red Herring Prospectus.

18. Except to the extent of Equity Shares offered in the Offer for Sale, our Promoters and members of our Promoter Group will not submit Bids, or otherwise participate in the Offer, or otherwise participate in this Offer.

19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

20. All Equity Shares issued pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

21. None of the BRLMs or their respective associates holds any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

22. Our Company shall ensure that transactions in the Equity Shares by our Promoters and members of our Promoter Group, if any, during the period between the dates of this Draft Red Herring Prospectus filed in relation to this Offer and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

23. Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Net Offer may be made for the purpose of making Allotment in minimum lots.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale.

Fresh Issue

Requirement of Funds

Our Company proposes to utilize the Net Proceeds towards funding the following objects:

1. Repayment/prepayment of certain borrowings availed by our Company; and
2. General corporate purposes

(collectively, referred to as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancement of our Company's brand name and creation of a public market for the Equity Shares in India.

The objects clause as set out in our Memorandum of Association enables our Company (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds.

Net Proceeds

The details of the Net Proceeds are set forth in the following table:

(In ₹ million)

Particulars	Estimated amount
Gross Proceeds from the Fresh Issue	4,000
Less: Offer related expenses (only those apportioned to our Company)*	[●]
Net Proceeds*	[●]

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ million)

Particulars	Amount
Repayment/prepayment of certain borrowings availed by our Company	3,000
General corporate purposes*	[●]
Net Proceeds**	[●]

** The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.*
*** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects of the Offer in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(In ₹ million)

Particulars	Amount to be funded from the Net Proceeds	Estimated schedule of deployment of Net Proceeds in Fiscal 2021
Repayment/prepayment of certain borrowings availed by our Company	3,000	3,000

Particulars	Amount to be funded from the Net Proceeds	Estimated schedule of deployment of Net Proceeds in Fiscal 2021
General corporate purposes*	[●]	[●]
Total	[●]	[●]

** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.*

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the Objects of the Offer as described herein during Fiscal 2021. In the event the estimated utilization of the Net Proceeds is not undertaken in its entirety or it is not completely utilised for the objects during the periods stated above, due to factors such as: (i) economic and business conditions; (ii) delay in timely completion of the Offer; (iii) market conditions outside the control of our Company; (iv) changes in interest rates and finance charges; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company in accordance with applicable laws. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors – Internal Risk Factors - Any variation in the utilization of a portion of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval*" on page 55.

In case of any increase in the actual utilisation of funds earmarked for the purposes set forth above or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by way of means available to us, including by way of incremental debt or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance may be utilized towards future growth opportunities and/or general corporate purposes, to the extent that the total amount to be utilized towards general corporate purpose shall not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with applicable law.

Means of Finance

The entire requirement of funds towards the Objects of the Offer will be met from the Net Proceeds. Accordingly, as required under the SEBI ICDR Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Net Proceeds.

Details of Utilisation of Net Proceeds

The details of utilisation of the Net Proceeds are set forth below:

1. Repayment/prepayment of certain borrowings availed by our Company

Our Company has entered into financing arrangements with various banks and financial institutions such as borrowings in the form of secured loans, unsecured loans, long term and short term facilities. For details of our outstanding borrowings, see "*Financial Indebtedness*" on page 298.

Our Company intends to utilize ₹ 3,000 million from the Net Proceeds towards partial or full repayment or pre-payment of certain loans availed by our Company. We believe that such repayment or pre-payment will help us achieve an enhanced equity base, assist us in maintaining a favourable debt-equity by reducing our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in implementing our business growth strategy and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be repaid/pre-paid by our Company shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to repay or prepay the borrowings and time taken to fulfil or obtain waivers for fulfilment of such conditions, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any repayment or prepayment penalties and the quantum thereof, and (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding, the remaining tenor of the loan and the due date for making payment of a loan instalment. Some of our loan agreements provide for the levy of pre-payment penalties or premia. We will take such provisions into consideration while deciding the loans to be pre-paid from the Net

Proceeds. Payment of such prepayment penalty, if any, shall be made out of the Net Proceeds. In the event that the Net Proceeds are insufficient for such payment of prepayment penalty, the payment shall be made from the existing internal accruals of our Company. We may also be required to provide notice to some of our lenders prior to prepayment.

Further, the amounts outstanding under our working capital facilities are dependent on several factors and may vary with the business cycle and could include interim repayments and drawdown. Given the nature of these borrowings and terms of repayment, aggregate outstanding amount may vary from time to time. In the event sanctioned amounts under the working capital facilities were to increase and be drawn down, prior to filing the Red Herring Prospectus with the RoC, we may revise our utilisation of the Net Proceeds towards repayment of such further amounts under the working capital facilities, as mentioned above, subject to compliance with the SEBI ICDR Regulations, Companies Act and other applicable laws.

Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Owing to various operational benefits in the due course of business, and given the variations which may occur in the aggregate outstanding amounts under the borrowings from time to time due to the nature of the borrowings and the terms of repayment or prepayment, our Company may, in accordance with the relevant repayment schedule, explore possibilities of other lenders repaying or refinancing some of their existing borrowings prior to Allotment. In addition to the below, our Company may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the below loans are prepaid or repaid, refinanced or further drawn-down prior to the filing of the Red Herring Prospectus, our Company may utilise the Net Proceeds towards prepayment or repayment of such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities availed by us, subject to compliance with SEBI ICDR Regulations, Companies Act and other applicable laws. The following table provides details of certain borrowings availed by our Company which are outstanding as on June 30, 2019, out of which our Company may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds:

S. No.	Name of the lender	Nature of borrowing	Amount sanctioned	Amount outstanding as on June 30, 2019	Interest Rate (% *per annum*)	Purpose of availing loan	Repayment date/schedule	Prepayment penalty/Conditions
			(in ₹ million)					
1.	DBS Bank India Limited	Working capital facilities (fund-based)	50	48.60	9.6%	For working capital purposes	Repayable on demand, with a tenor of maximum up to 180 days from date of disbursement	Prepayment by our Company is allowed, subject to payment of prepayment charges at a rate of 3.00% on the principal amount of the financial facilities being prepaid.
2.	Federal Bank Limited	Foreign currency term loan (fund-based)	USD 13.30 million, i.e. ₹ 852.40 million(1)	567.91	4.54% (six month LIBOR (London Interbank Offered Rate) + 250 basis points as on date)	Reimbursement of existing capex under the Reserve Bank of India's foreign currency term loan scheme	Repayment in USD in 48 months commencing from the date of disbursal of the loan, by eight equal half yearly instalments.	No prepayment charges/penalty applicable, except prepayment penalty equivalent to 1% on balance outstanding if the facility is repaid by way of takeover by other banks/financial institutions.
3.	HDFC Bank Limited	Short term loan (fund-based)	100	100	9.70%	For renovation and refurbishment of expenses	Tenor of one year and repayable in equal instalments from the seventh to twelfth month.	-
4.	ICICI Bank Limited	Cash credit (fund based)	200	193.32	9.70% (six month I-MCLR + 1.10% spread *per annum*)	For meeting working capital requirements	Repayable on demand	No prepayment penalty or conditions specified for this facility as per the loan documentation.
		Working capital demand loan as a sub-limit of unsecured FCNR(B) facility of ₹ 100 million (fund-based)	100	100	10.25% (three month I-MCLR + 1.90% spread *per annum*)	For meeting working capital requirements	Tenor of each tranche ranges from a minimum of 30 days to a maximum of 360 days from the date of disbursement of each tranche.	Our Company may prepay the facility with payment of prepayment premium of 0.25% on principal amount of loan prepaid, subject to giving at least 15 days prior written notice.
5.	HDFC Bank Limited and Federal Bank Limited (with SBICAP Trustee Company Limited acting as	Rupee term loan facility (fund-based) of up to ₹ 1,500 million(2) or actual outstandings under the term loans availed from State Bank of India Limited ("**SBI Loans**") (vide Sanction Letter dated September 17, 2013 and Facility agreement dated September 28, 2013) on the first drawdown date, whichever is lower, to the	1,500	1476.75	Facility availed from HDFC Bank Limited: 10.85% *per annum* (HDFC one year MCLR + spread *per annum*). Facility availed from Federal Bank Limited: 9.85% *per annum* (Federal Bank one year MCLR + spread *per*	To refinance SBI Loans	Facility availed from HDFC Bank Limited: Tenure of 12 years from date of first disbursement, and repayable in instalments as agreed upon. Facility availed from Federal Bank Limited: Tenure of 12 years from date of first disbursement, and repayable in 48 structured quarterly instalments.	No prepayment premium would be payable, if the prepayment is effected from the proceeds of internal accruals of our Company or fresh equity share capital issued by our Company.

S. No.	Name of the lender	Nature of borrowing	Amount sanctioned	Amount outstanding as on June 30, 2019	Interest Rate (% *per annum*)	Purpose of availing loan	Repayment date/schedule	Prepayment penalty/Conditions
			(in ₹ million)					
	security Trustee ("**Security Trustee**"))	extent and in the proportion as follows: HDFC Bank Limited: ₹ 1,000 million or actual outstandings under the SBI Loans on the first drawdown date, whichever is lower Federal Bank Limited: ₹500 million			*annum*).			
6.	ICICI Bank Limited	Rupee term loan (fund-based)	1,000	751.58	9.70% (one year I-MCLR + 1.05% spread *per annum*)	For taking over existing term loans from financial institutions/banks, normal capital expenditure and meeting long term working capital requirements	Principal moratorium of 30 months from the date of first disbursement. Repayment of draw down amount in quarterly instalments starting from the end of 33 months of the first drawdown, and ending up to 117 months from the date of the first drawdown.	Our Company may prepay the facility with payment of prepayment premium of 1.00% on the amount of the facility prepaid, subject to giving at least 15 days prior written notice.

(1) *As per the sanction letter dated August 11, 2017, the loan amount sanctioned was USD 13.30 million, which was converted to ₹ 852.40 million at an exchange rate of 1 USD = ₹ 64.09.*

(2) *Our Company was sanctioned an amount of ₹ 1,500 million by HDFC Bank Limited vide its sanction letter dated November 25, 2016. However, subsequently out of the aforesaid ₹ 1,500 million, ₹ 500 million was assigned to Federal Bank Limited through the deed of accession dated March 30, 2017. Accordingly the sanctioned amount has been disclosed above.*

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the statutory auditor certifying the utilization of loans that are proposed to be repaid for the purposes availed, our Company has obtained the requisite certificate.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include, without limitation, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; (vi) working capital requirements; and (vii) any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as at the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer related expenses

The total expenses in relation to the Offer are estimated to be approximately ₹ [●] million. The expenses in relation to the Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Escrow Collection Bank to the Offer and Sponsor Bank, including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Except for listing fees which shall be solely borne by our Company, all expenses in relation to the Offer will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale. However, in the event that the Offer is withdrawn by our Company or not completed for any reason whatsoever, all the expenses in relation to the Offer will be solely borne by our Company.

The break up for the estimated expenses in relation to the Offer is as follows:

Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses*	As a % of the Offer size*
Fees payable to the BRLMs	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]

Activity	Estimated expenses* (in ₹ million)	As a % of the total estimated Offer expenses*	As a % of the Offer size*
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the Bankers to the Offer	[●]	[●]	[●]
Brokerage and selling commission payable to SCSBs, Registered Brokers, RTAs and CDPs, as applicable(1)	[●]	[●]	[●]
Processing fees to the SCSBs and to the Sponsor Bank for ASBA Forms procured by Registered Brokers, RTAs or CDPs (2)	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Fees to regulators, including stock exchanges	[●]	[●]	[●]
Others (i) Listing fees; (ii) Fees payable to legal counsels; (iii) SEBI and stock exchanges processing fee and book building software fees; and (iv) Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

** Offer expenses include applicable taxes. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(1) Selling commission payable to members of the Syndicate, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Offer Price) would be as follows:

Portion for Retail Individual Bidders	*[●]% (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% (plus applicable taxes)*

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSB for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax).

(2) Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).

Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

** Based on valid Bid cum Application Forms*

Monitoring Utilization of Funds

In terms of the SEBI ICDR Regulations, our Company shall appoint a monitoring agency to monitor the utilization of the Net Proceeds prior to filing the Red Herring Prospectus. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to the Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net

Proceeds from the Objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects of the Offer as stated above. In accordance with Regulation 47 of the SEBI Listing Regulations, this information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after review by our Audit Committee and its explanation in the directors' report.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, read with Regulation 59 and Schedule XX of the SEBI ICDR Regulations and applicable rules, our Company shall not vary the Objects of the Offer without our Company being authorised to do so by our Shareholders by way of a special resolution. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, as required under the Companies Act, 2013 read with applicable rules. The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Managerial Personnel for any material existing or anticipated transactions. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Selling Shareholders and the BRLMs, on the basis of assessment of market demand for the Equity Shares by the Book Building Process and on the basis of the following quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 143, 27, 204 and 302, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

1. Demonstrated ability to grow successful brands through product innovation and service excellence.
2. Market leaders in occupancy rate and REVPAR with a strong financial and operational track record.
3. A leading hospitality company with a diversified portfolio of owned and managed hotels that are strategically located across India.
4. One of the industry's highest F&B contributions which adds to stable and non-cyclical earnings.
5. Dedicated and experienced management team and board of directors.
6. *'Flurys'* is an iconic brand with a successful and profitable track record of industry leading margins.

For details, see "*Our Business – Competitive Strengths*" on page 144.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For details, see "*Financial Statements*" on page 204.

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

I. Basic and Diluted Restated Earnings per Equity Share ("EPS") at face value of ₹ 1 each#:

Fiscal	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
Year ended March 31, 2019	0.56	3	0.56	3
Year ended March 31, 2018	(0.43)	2	(0.43)	2
Year ended March 31, 2017	0.54	1	0.54	1
Weighted Average	0.23		0.23	
Three months period ended June 30, 2019*	(0.10)		(0.10)	

#Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of ₹ 10 each has been split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹ 1 each. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.
** Basic EPS and Diluted EPS for the three month period ended 30 June, 2019 are not annualized.*

Notes:

(1) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(2) The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for the Fiscal 2019	[●]	[●]
Based on diluted EPS for the Fiscal 2019	[●]	[●]

Industry Peer Group P/E Ratio:

	Industry P/E*
Highest	96.57
Lowest	61.07
Industry Composite	73.13

Source: Based on peer set provided later in this chapter. For further details, see "V- Comparison with Listed Peers" on page 99.
Note: P/E for companies which have negative EPS is not considered for calculation of Industry Composite P/E.

III. Return on Net Worth ("RoNW"):

The information presented below is derived from the Restated Financial Statements:

Financial Period	RoNW (%)	Weight
Year ended March 31, 2019	1.65%	3
Year ended March 31, 2018	(1.37%)	2
Year ended March 31, 2017	1.67%	1
Weighted Average	0.65%	-
Three months period ended June 30, 2019*	(0.31%)	

Notes:
(1) Net Worth is derived from the Restated Financial Statements and is computed as the sum of the aggregate of paid up equity share capital and all reserves excluding foreign currency translation reserve and does not include non-controlling interests. Return on Net Worth is calculated as Restated net profit /(loss) after tax divided by Restated net worth at the end of the year / period. For details and reconciliation with Restated Financial Statements, see "Other Financial Information" on page 294.
(2) The Weighted Average Return on Net Worth is a product of Return on Net Worth for the period and respective assigned weight, dividing the resultant by total aggregate weight.
** RoNW for the three month period ended 30 June, 2019 are not annualised.*

IV. Net Asset Value per Equity Share (Face value of ₹ 1 each)#:

NAV per Equity Share	₹
As on June 30, 2019*	33.49
At Floor Price	[●]
At Cap Price	[●]
At Offer Price	[●]

 # Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of ₹ 10 each has been split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹ 1 each. The calculation of Net Asset Value per Equity Share has been considered considering the impact of share split as stated above.
** Net asset value per equity share is derived from the Restated Financial Statements and is calculated as net worth at the end of period/year divided by weighted average number of equity shares outstanding at the end of the period/year. For details and reconciliation with Restated Financial Statements, see "Other Financial Information" on page 294.*

V. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India:

Name of the company	Face Value per Equity Share (in ₹) #	Closing price on December 27, 2019 (in ₹)	Total Income for the year ended March 31, 2019 (in ₹ million)	EPS for the year ended March 31, 2019 (Basic) (in ₹)#	EPS for the year ended March 31, 2019 (Diluted) (in ₹)#	NAV per Equity Share for the year ended March 31, 2019 (in ₹)	P/E for the year ended March 31, 2019 (Closing price on December 27, 2019 / (Diluted) EPS)	RoNW for the year ended March 31, 2019 (%)
Apeejay Surrendra Park Hotels Limited[1]	1	-	4,309.50	0.56	0.56	33.63	-	1.65%
Peer Group								
EIH Limited[2]	2	140.45	18,796.07	2.30	2.30	52.37	61.07	4.98%
The Indian Hotels Company Limited[2]	1	148.80	45,953.80	2.41	2.41	36.56	61.74	6.81%
Chalet Hotels Limited[2]	10	350.15	10,347.81	(0.43)	(0.43)	69.39	NA	(0.54%)
Lemon Tree Hotels Limited[2]	10	64.70	5,594.38	0.67	0.67	11.04	96.57	6.44%

Source for share price: www.bseindia.com.

Note:

1. The information above is derived from the Restated Financial Statements. Net Worth is derived from the Restated Financial Statements and is computed as the sum of the aggregate of paid up equity share capital and all reserves excluding foreign currency translation reserve and does not include non-controlling interests. For details and reconciliation with the Restated Financial Statements, see "Other Financial Information" on page 294. Net asset value per equity share is derived from the Restated Financial Statements and is calculated as net worth at the end of period/year divided by weighted average number of equity shares outstanding at the end of the period/year. Return on Net Worth is calculated as Restated Profit/Loss for the period/year divided by Net Worth at the end of the period/year. For details and reconciliation with Restated Financial Statements, see "Other Financial Information" on page 294.

2. The information above is derived from the consolidated financial statements for FY19.

a. Net asset value per equity share is calculated as net worth at the end of period/year divided by the number of equity shares outstanding at the end of the period/year.

b. Net Worth is computed as the sum of the aggregate of paid up equity share capital and all reserves and does not include non-controlling interests. Return on Net Worth is calculated as net profit /(loss) after tax divided by net worth at the end of the year / period.

#Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of ₹10 each has been split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹ 1 each. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

VI. The Offer price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company in consultation with the Selling Shareholders and the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 27, 143, 302 and 204 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 27 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

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

The Board of Directors
Apeejay Surrendra Park Hotels Limited
17 Park Street
Kolkata 700 016, India.

Dear Sirs,

Statement of Possible Special Tax Benefits available to Apeejay Surrendra Park Hotels Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure 1 and 2 (together 'the Annexures"), prepared by Apeejay Surrendra Park Hotels Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2019 and the Finance (No.2) Act,2019 i.e., applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, presently in force in India (together, the "**Tax Laws**"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which is, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:

    i) the Company or its shareholders will continue to obtain these benefits in future;

    ii) the conditions prescribed for availing the benefits have been / would be met with; and

    iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

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

per Bhaswar Sarkar
Partner
Membership Number: 055596

Place of Signature: Kolkata
Date: December 27, 2019

ANNEXURE 1

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA- INCOME TAX ACT,1961

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

As per the provisions of Section 35AD of the Act, a company engaged in specified business (building and operating, anywhere in India, a hotel of two star or above category as classified by the Central Government) is entitled to a deduction of 100% of the capital expenditure incurred for the purpose of said business carried on by it during the previous year in which such expenditure is incurred by him, subject to fulfilment of prescribed conditions.

SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

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

Notes:

1. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

2. This statement does not discuss any tax consequences in the country outside India of an investment in Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult with their own professional advisors regarding the possible income tax consequences that apply to them.

3. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF TAX BENEFITS AVAILABLE TO APEEJAY SURRENDRA PARK HOTELS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS-OTHERS

I. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") *(collectively referred to as "indirect tax")*

1. <u>Special indirect tax benefits available to the Company</u>

a) In view of Para 3.08 of the Foreign Trade Policy 2015-2020 ("FTP"), service providers of notified services listed in Appendix 3D, located in India are entitled for benefits under the Service Exports from India Scheme ("SEIS") provided the said services are rendered in the manner as per Para 9.51(i) and Para 9.51(ii) of this policy.

The Company is eligible for benefits under SEIS, being engaged in the provision of hotel services which is one of the notified services listed in Appendix 3D and is availing the said benefits.

b) In view of Section 117(1) of the Finance (No 2) Act, 2019, no service tax shall be levied or collected in respect of taxable service provided or agreed to be provided by the State Government by way of grant of liquor license, against consideration in the form of license fee or application fee, during the period from 01st April 2016 to 30th June 2017.

Accordingly, the Company may not be liable to pay service tax for the period from 01st April 2016 to 30th June 2017 under the reverse charge mechanism on the license or application fees paid to the State Government in relation to grant of liquor license.

2. <u>Special indirect tax benefits available to Shareholders</u>

There are no indirect tax benefits applicable in the hands of the shareholders for investing in the shares of the Company.

Notes:

1. Our comments are based on our understanding of the specific activities carried out by the Company from April 2019 till the date of this Annexure as per the documents provided to us and the discussions held with the representatives of the Company. Any variation in the understanding could require our comments to be suitably modified.

2. These comments are based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

3. We have been given to understand that during the period from April 1, 2019 till the date of this Annexure, the Company has:

   - claimed the following exemptions / benefits under the GST law on outward supplies made by them which are in general available under the GST law and hence may not be treated as special tax benefits:

     - supply of alcoholic liquor in terms of Section 9(1) of the CGST Act, 2017;

     - supply of services to SEZ unit which is a zero-rated supply in terms of Section 16(1)(b) of the IGST Act, 2017.

   - not exported any other goods or services other than supply of services to SEZ unit as mentioned above;

- imported goods on payment of customs duty and IGST at the applicable rates as per Tariff Act;

- imported services without payment of IGST since the services are intermediary services whose place of supply falls outside India and accordingly not liable to GST;

- not made any fresh investment in any State of the country and has not claimed any incentive under any State Incentive Policy.

4. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from a research report titled "Industry Report – Upper Tier and Upper Midscale Hotels" dated December 24, 2019, prepared by Horwath HTL and research report titled "Assessment of the Bakery, Café and Confectioneries Market in India" dated December 2019, prepared by CRISIL which has been commissioned by the Company in relation to the Offer. Neither we nor any other person connected with the Offer has independently verified this information. For details regarding the disclaimers issued by CRISIL and Horwath HTL in respect of the CRISIL Research Report and the Horwath HTL Report, respectively, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 17.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

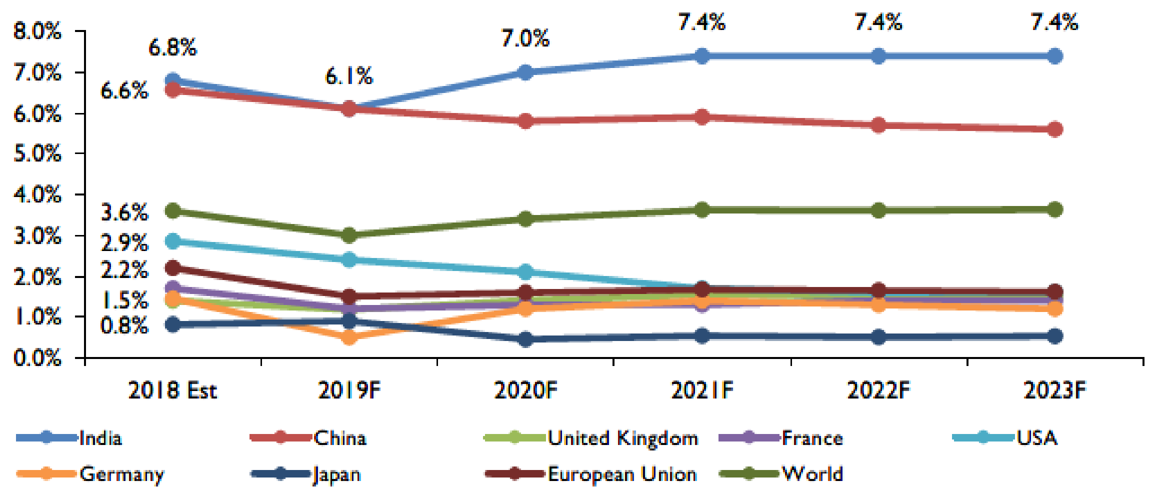
Macroeconomic Overview of India

India was the seventh largest economy in the world in the financial year 2018 with gross domestic product ("**GDP**") of USD 2.72 trillion (Source: the World Bank), and third in terms of purchasing power parity as per 2017 estimates (Source: the International Monetary Fund ("**IMF**"). The Indian economy grew by 6.8% in the financial year 2019 (estimates) as compared to 7.2% in the financial year 2018 (Source: Central Statistics Office, Government of India). Several recent reviews by IMF, the World Bank and the Reserve Bank of India ("**RBI**") have reduced the GDP growth forecast for India for the financial year 2020, although India remains among the leading nations from the viewpoint of the relative pace of growth.

India GDP Forecast

India is considered among the lead growth engines for the next five years, in terms of the rate of GDP growth. According to IMF, per capita GDP in India for FY2018 was USD 2,036, up from USD 2,014 for FY2017 and USD 1,762 for FY2016; further, per capita GDP is expected to grow at a compound annual growth rate ("**CAGR**") of 8.1% between FY2019 and FY2024.

The chart below provides the IMF forecast for GDP growth rate (at constant prices) for India and the top seven global economies for the next five years:



Source: IMF

Key demographic aspects

Increased urbanisation: the trend towards urbanisation was clearly visible in the 2001-2011 decade during which the urban population increased from 27% to 31.2%; in this period the urban population grew by 91 million, marginally ahead of the increase in rural population of 90.5 million (Source: Census of India 2011). In 2018, India had the second largest urban population globally, with 461 million urban dwellers constituting 11% of the global urban population; and 34% of India's population lived in urban areas (Source: World Urbanisation Prospects: The 2018 Revision).

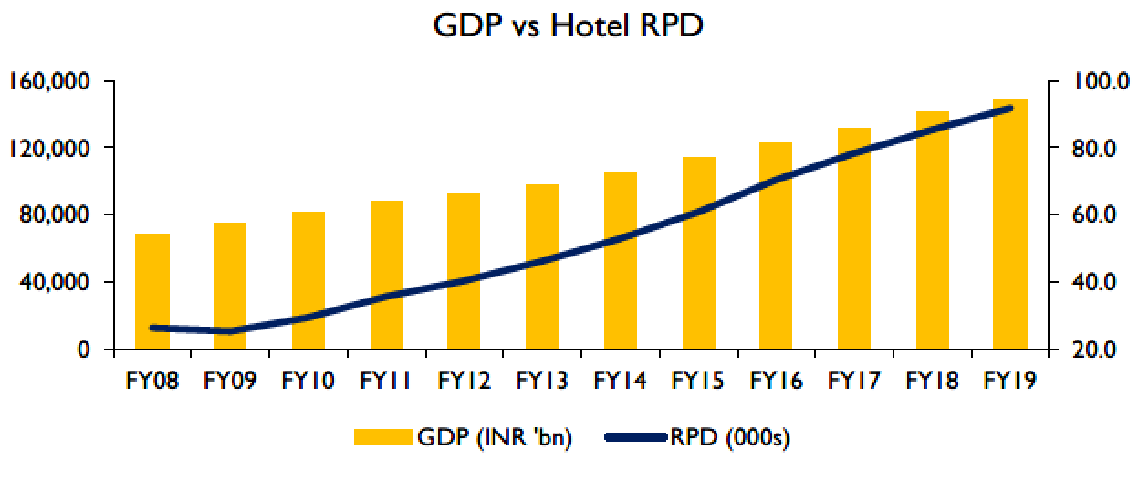
Middle class population: the middle class population in India doubled from 300 million to 600 million between 2004 and 2012, and is likely to overtake that of the United States and China by 2027 (Source: World Economic Forum Article – November 2016).

Young population: as per 2018 estimates, the median age of India's population is 28.1 years (Source: CIA, World Factbook), with almost 45% of the population below the age of 24 years. In 2018, the working age population in India grew larger than the dependent population; this is referred to as a 'period of demographic dividend' which typically lasts for 37 to 40 years. It is estimated that 64% of India's population will be of working age by 2020-21 (Source: Union budget and economic survey 2013). A large working population with young demographics carries enhanced discretionary spend capacity and greater willingness to spend on lifestyle aspects, which could benefit the hotel sector.

India GDP and Hotel Room Demand

Economic growth has enabled material benefits in generating demand for hotels. With an increase in GDP (at current prices) from INR 68.5 trillion in the financial year 2008 to INR 149 trillion in the financial year 2019, the average demand for hotel rooms has increased from 26,300 rooms per day in financial year 2008 to 91,800 rooms per day in financial year 2019. In the period between the financial year 2008 and the financial year 2019, demand for rooms per day grew around 3.5 times, while GDP (at current prices) was around 2.2 times the GDP at the start of the period. Whether growth occurs at 6% for financial year 2020, as projected by the World Bank, with increased growth at 6.9% and 7.2% in the next two years, or at between 6.1% and 7.4% as per IMF projections, growth in hotel room demand can reasonably be expected.

The chart below compares the demand for hotel rooms (Rooms per day ("**RPD**") growth) with the GDP levels for India:



Source: IMF & Horwath HTL

Classifications of Hotels

Terms for classifying, categorising and segmenting hotels are clarified below:

Luxury and upper upscale segment – this classification typically refers to top tier hotels. In India these would generally be classified as 5 star, deluxe and luxury hotels. The upper upscale segment has a range of product types, with entry level hotels in that segment and hotels that are truly upper-upscale in character. Several hotel brands classify themselves as luxury hotels, on the basis of certain criteria, such as room size, without having the service standards and guest profile that is typically associated with true luxury hotels.

Upscale segment – these are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India these would generally be classified as 4 or even 5 star hotels, with quality ranging between mid/upper 4 star and entry level 5 star quality.

Upper midscale segment – these hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes than upscale hotels. In India these would generally be classified as 4 star and sometimes 3 star hotels.

Midscale segment – these are typically 3 star hotels with distinctly moderate room sizes, quality and pricing, and a lower quality of services. While domestic brand midscale hotels often provide full services, services tend to be more selectively available among international branded midscale hotels.

Economy segment – these are typically 2 star hotels providing functional accommodation and limited services, while being focused on price consciousness.

Chain-affiliated hotels are either (i) owned and operated by hotel chains; (ii) operated by hotel chains on behalf of other owners; or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. For this purpose, we have included all recognised international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country. Domestic hotel chains that are generally considered as operating under common branding are included; other domestic chains are only considered if they have five or more hotels operating at least regionally in India.

For clarity, groups that have multiple hotels only within one state are not considered unless these are generally regarded as hotel chains by the market. Hotel companies that are primarily operating time-share facilities have been excluded; one-star hotels have also been excluded. We have also excluded hotel rooms under aggregators (such as Oyo, Treebo and FabHotels) as the aggregators mainly provide marketing and distribution platforms to several independent hotels and are, as yet, inconsistent in the standards and classification of their hotels.

Industry Size: Chain-affiliated Hotels

As at 31 March 2001, India had about 24,000 chain-affiliated hotel rooms; this had increased to about 146,000 rooms as at 30 June 2019.

The hotel sector in India enjoyed strong business in the period from the financial year 2005 through the initial months of the financial year 2009, particularly the financial year 2007 to the summer of 2008, and strong occupancies and average rates prevailed in most markets. These demand conditions spurred significant supply creation efforts and plans. Due to longer project timelines in India, projects initiated between the financial year 2005 and the financial year 2008 were completed in the period between the financial year 2009 and the financial year 2015 together with some new projects initiated in or after the financial year 2010 – these were the fundamental content for the supply surge in the period between 2009 and 2015. About 18,500 rooms were added in the financial year 2010 and the financial year 2011. Thereafter, an average of just under 11,000 rooms were added each year for the next four years, so that aggregate inventory at the end of the financial year 2015 was about 108,000 rooms. The pace of supply addition has then slowed with an average of 8,800 rooms coming in every year for the next four years up until the end of the financial year 2019. Supply growth is likely to regain momentum between the financial year 2021 and the financial year 2023, with an average of about 11,500 rooms expected to be added in each of those three years. 45% of this additional future inventory is in the upscale and upper midscale segments; nearly 50% of this inventory is outside the top 10 markets (Mumbai Metropolitan area, Delhi NCR, Bengaluru Chennai, Hyderabad, Kolkata, Pune, Ahmedabad, Goa and Jaipur).

The typical development timeframe in India can be long, often exacerbated by funding shortfalls, approval and completion certification delays, and other factors that cause project timelines to drag. Several hotels completed between the financial year 2012 and the financial year 2015 were from projects initiated between the financial years 2007-09. From about the financial year 2013, there was a distinct slowdown in initiation of new hotel projects while several projects under implementation continued to be carried to completion. This trend is expected to continue up until the financial year 2020/21, particularly in the upper upscale and upscale segments, which have seen fewer commitments made in the last three to four years for new hotel projects; several new projects that have been initiated recently may complete in the financial year 2022 and, more likely, later than financial year 2022.

Segmental Supply

Segmental supply has evolved significantly since the financial year 2001.

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

Segmental Composition (Inventory in 000s)

Category	FY01	FY08	FY15	Jun19	FY23	CAGR FY01-08	CAGR FY08-15	CAGR FY15-Jun19	CAGR – Jun19-FY23
Luxury	6	10	17	24	28	6.9%	7.8%	8.0%	4.5%
Upper Upscale	7	10	25	29	36	6.2%	13.5%	3.3%	6.1%
Upscale	5	8	22	30	39	5.7%	16.3%	8.0%	7.5%
Upper Midscale	4	7	20	28	39	9.7%	16.1%	7.9%	9.6%
Midscale-Economy	2	5	24	36	48	17.1%	24.2%	10.2%	8.0%
Total	**24**	**40**	**108**	**146**	**190**	7.9%	15.0%	7.4%	7.3%
% of Total									
Luxury	27.0%	25.4%	16.1%	16.4%	14.9%				
Upper Upscale	28.8%	25.8%	23.4%	19.8%	19.0%				
Upscale	21.5%	18.6%	20.1%	20.5%	20.6%				
Upper Midscale	15.5%	17.4%	18.5%	18.9%	20.4%				
Midscale-Economy	7.2%	12.9%	22.0%	24.4%	25.0%				

Source: Horwath HTL

India has moved from a top-heavy supply scenario at the start of the century to a better balance in supply composition. The upscale segment has the largest supply share; followed closely by the upper-upscale segment and then the upper-midscale segment. The trend for the next three to five years is broadly expected to be the same, with luxury and upper upscale supply share continuing to gradually decline (while continuing to add hotels and hotel rooms), with supply share gains in the upscale, upper midscale and midscale economy segments.

Supply Composition by City

The top 10 markets in India (measured by hotel inventory) had 65% of rooms supply as at 30 June 2019; each market has at least 3k chain-affiliated hotel rooms.

The following table sets forth the supply of chain-affiliated hotel rooms in the top 10 markets for the periods indicated:

City-wise Supply (Inventory in 000s)

Market	FY01	FY08	FY15	FY19	Jun-19	FY23
NCR	4.9	6.6	18.6	22.7	22.7	26.5
Delhi	4.9	5.6	10.8	13.4	13.3	14.5
Bengaluru	1.1	2.7	10.7	14.2	14.3	18.9
Mumbai#	3.5	6.9	11.8	12.8	13.0	17.4
Chennai	1.6	2.6	7.0	9.8	9.9	10.3
Hyderabad	0.9	1.6	5.9	7.4	7.4	8.3
Pune	0.4	0.9	5.9	6.9	6.9	7.6
Goa	1.2	2.2	4.5	6.4	6.7	9.5
Jaipur	1.0	1.5	4.5	5.7	5.8	6.7
Kolkata	0.9	1.6	2.6	3.8	4.4	5.6
Ahmedabad	0.3	0.5	3.2	3.4	3.5	4.8
Total	**15.8**	**27.0**	**74.7**	**93.1**	**94.6**	**115.7**

 # includes Navi Mumbai

Source: Horwath HTL

The Company has hotels in eight of these top 10 markets, other than Pune and Ahmedabad. The Company has a project under completion in Pune, which is part of the supply for the financial year 2022.

Total inventory across the top 10 markets grew about six times between the financial year 2001 and June 2019; the growth multiple is higher in Bengaluru, Pune, Ahmedabad and Hyderabad. Goa and Jaipur are the only two essentially leisure destinations in the list of top 10 markets, with a combined inventory of 12,500 hotel rooms. The lack of focus on, and support for, leisure is a key factor in limiting foreign tourist numbers into India. From an individual city viewpoint, Bengaluru now has the largest inventory of chain-affiliated hotels; this market had added 13,200 rooms between the financial year 2001 and June 2019, with the additional inventory created being almost equal to the entire inventory in Delhi and larger than Mumbai's inventory. The national capital region ("**NCR**") of Delhi is bigger, but only as an agglomeration of markets. Between June 2019 and the financial year 2023, about 21,000 rooms are expected to be added in the top 10 cities. Mumbai will move to the second place while Bengaluru retains the lead position as a city; Delhi NCR will materially grow only in the NCR area; and Goa and Ahmedabad will each grow supply by about 40%.

The following table sets forth the city-wide composition of chain-affiliated hotel rooms in the upper upscale segment:

Upper Upscale segment

	Upper Upscale (Rooms in '000s)					Upper Upscale (% of total city)				
	FY01	FY08	FY15	FY19	FY23	FY01	FY08	FY15	FY19	FY23
NCR	1.7	2.3	4.9	5.2	5.8	35%	35%	26%	23%	22%
Delhi	1.7	2.0	2.7	3.1	3.5	36%	35%	25%	23%	24%
Mumbai	1.2	2.3	3.3	3.3	3.9	34%	33%	28%	26%	22%
Bengaluru	0.4	0.7	2.2	3.1	4.1	34%	26%	21%	22%	22%
Chennai	1.1	1.1	2.1	1.7	1.9	68%	43%	31%	17%	18%
Hyderabad	0.0	0.3	1.5	1.9	2.3	0%	18%	26%	26%	28%
Pune	0.3	0.3	1.4	1.6	1.9	72%	33%	24%	23%	24%
Goa	0.5	0.9	1.3	1.3	1.7	39%	41%	29%	20%	18%
Kolkata	0.0	0.2	0.6	0.9	0.9	0%	15%	22%	23%	16%
Jaipur	0.1	0.3	1.3	1.3	1.9	13%	18%	28%	24%	28%
Ahmedabad	0.1	0.1	0.5	0.7	1.3	23%	13%	16%	19%	26%
Others	1.5	2.0	5.9	7.4	10.5	19%	15%	18%	15%	14%
Total	**6.8**	**10.4**	**25.2**	**28.3**	**36.2**	**29%**	**26%**	**23%**	**20%**	**19%**

Source: Horwath HTL

Each of the main cities has gone through a change in supply composition, which was inevitable considering the top-heavy nature of the market in financial year 2001. As the modest supply levels of the financial year 2001 have expanded, the supply composition has also significantly changed. While acknowledging the better balance arising from supply diversification within cities, one must also recognise its impact on the overall average daily rate (the "**Average Daily Rate**") levels in cities; city-wide Average Daily Rates move downward as a natural result of more mid-tier and lower-tier hotels in the city. Bengaluru, Chennai, Pune and Hyderabad have seen sharp supply growth in the upscale and upper midscale segments.

Between FY01 and FY19, the upper midscale supply share rose between 8 percentage points (Hyderabad) to 18 percentage points (Bengaluru); while Bengaluru upscale supply share declined by 1 percentage point, for Hyderabad, Chennai and Pune supply share rose from zero to 20%, 24% and 23% respectively. Mumbai has the least balance, with only 11% of hotel rooms in the upscale segment and just 8% in the upper midscale segment.

The following table sets forth the city-wide composition of chain-affiliated hotel rooms in the upscale segment:

Upscale segment

	Upscale (Rooms in '000s)					Upscale (% of total city)				
	FY01	FY08	FY15	FY19	FY23	FY01	FY08	FY15	FY19	FY23
NCR	1.5	1.8	4.4	6.1	6.7	30%	27%	24%	27%	25%
Delhi	1.5	1.5	2.4	3.6	4.0	30%	26%	23%	27%	27%
Mumbai	0.2	0.3	1.3	1.4	2.2	7%	5%	11%	11%	12%
Bengaluru	0.2	0.2	2.1	2.6	4.4	19%	8%	20%	18%	23%
Chennai	0.0	0.6	1.1	2.4	2.6	0%	22%	16%	24%	25%
Hyderabad	0.0	0.3	1.2	1.5	1.8	0%	17%	20%	20%	21%
Pune	0.0	0.1	1.4	1.6	1.7	0%	10%	24%	23%	22%
Goa	0.0	0.0	0.6	1.4	2.2	0%	0%	12%	21%	23%
Kolkata	0.3	0.5	1.0	1.0	1.7	37%	31%	39%	27%	31%
Jaipur	0.0	0.0	0.1	0.6	0.7	1%	1%	3%	11%	11%
Ahmedabad	0.0	0.2	1.3	1.2	1.3	0%	33%	41%	34%	27%
Others	2.8	3.6	7.1	10.2	13.9	36%	27%	22%	21%	19%
Total	**5.1**	**7.5**	**21.6**	**29.9**	**39.2**	**22%**	**19%**	**20%**	**21%**	**21%**

Source: Horwath HTL

The following table sets forth the city-wide composition of chain-affiliated hotel rooms in the upper midscale segment:

Upper Midscale segment

	Upper Midscale (Rooms in '000s)					Upper Midscale (% of total city)				
	FY01	FY08	FY15	FY19	FY23	FY01	FY08	FY15	FY19	FY23
NCR	0.2	0.4	2.3	2.8	3.7	3%	6%	13%	12%	14%
Delhi	0.2	0.2	1.2	1.4	1.7	3%	4%	11%	11%	12%
Mumbai	0.4	0.5	1.0	1.0	2.4	10%	8%	8%	8%	14%
Bengaluru	0.0	0.5	1.7	2.6	3.1	0%	19%	15%	18%	16%
Chennai	0.2	0.6	1.1	1.7	1.7	13%	21%	16%	17%	16%
Hyderabad	0.1	0.3	1.5	1.8	1.8	17%	15%	26%	25%	22%
Pune	0.0	0.0	0.6	1.2	1.2	0%	5%	11%	17%	16%
Goa	0.1	0.3	0.8	1.0	1.7	12%	16%	17%	16%	18%
Kolkata	0.0	0.1	0.1	0.5	1.0	0%	4%	5%	14%	17%
Jaipur	0.4	0.7	1.5	1.6	1.7	40%	46%	32%	29%	25%
Ahmedabad	0.2	0.2	0.7	0.8	0.9	77%	50%	23%	23%	18%
Others	2.0	3.4	8.6	12.6	19.8	26%	25%	26%	25%	27%
Total	**3.7**	**7.0**	**19.9**	**27.4**	**38.8**	**15%**	**17%**	**19%**	**19%**	**20%**

Source: Horwath HTL

There has been a marked shift in chain-affiliation patterns, between the financial year 2001 and the financial year 2019; during this period, the international chains made an aggressive play for new supply in India and benefited from changing hotel ownership patterns as private sector investment took greater hold.

Foreign and Domestic Chain-affiliated Supply

Limited presence of international hotel chains at the start of the century has evolved through about two decades, whereby international chains now operate or franchise 48% of the chain-affiliated hotel rooms in India. International chains have expanded by aggressively pursuing management contracts, offering multiple brands across different price positioning, and supporting the development of hotels with larger scale that added function and meeting spaces of substance in key cities. International chains have gained material traction in the upper upscale, upscale and upper midscale segments.

Several domestic chains were initially asset heavy; gradually, the chains have shifted to an asset-light or a hybrid model (with some owned properties and some others on management contracts). Moreover, domestic chains have successfully positioned products and brands in the upscale, upper midscale and midscale economy segments. This has helped domestic chains gain traction, particularly as hotel expansion occurs outside the main cities. As a result, domestic chains have gained a larger share of new supply since the financial year 2015 than the share between the financial year 2001 and the financial year 2015.

It is important to recognise that an asset-ownership based model has several merits particularly in terms of (a) asset appreciation; (b) larger income statement and balance sheet as the gross revenue and profits belong to the hotel chain; (c) advantage in creating better returns, if land banks are available at historical costs; and (d) the ability to create and showcase the value and profitability of differentiated products (such as luxury boutique hotels under The Park brand).

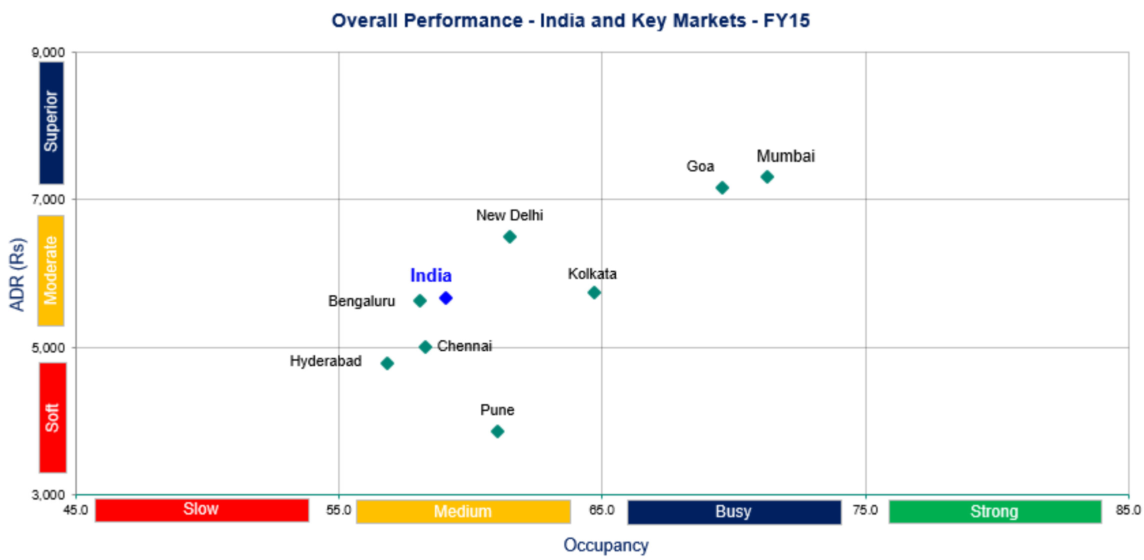
Foreign & Domestic Chain Affiliated Supply

	FY01		FY08		FY15		FY19	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Overall	**82%**	**18%**	**74%**	**26%**	**55%**	**45%**	**52%**	**48%**
Lux	100%	0%	80%	20%	66%	34%	65%	35%
Upper-Upscale	65%	35%	59%	41%	37%	63%	27%	73%
Upscale	91%	9%	76%	24%	41%	59%	38%	62%
Upper Midscale	78%	22%	81%	19%	67%	33%	57%	43%
Midscale - Economy	61%	39%	82%	18%	70%	30%	73%	27%

Source: Horwath HTL

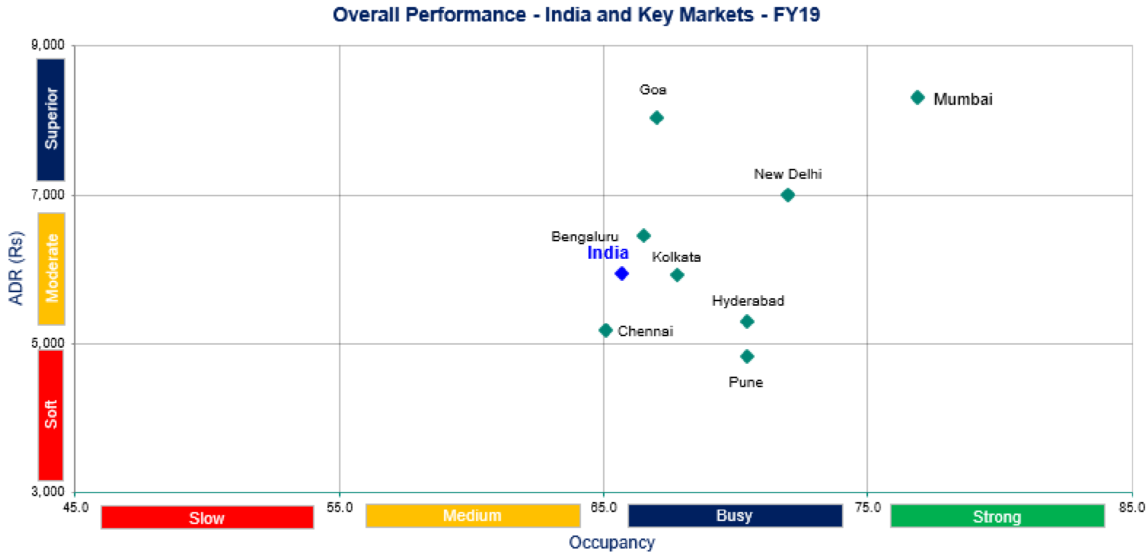
Performance of Key Markets

The following chart sets forth the overall performances of key markets in India for the financial year 2015:



Source: Horwath HTL Report

The following chart sets forth the overall performances of key markets in India for the financial year 2019:



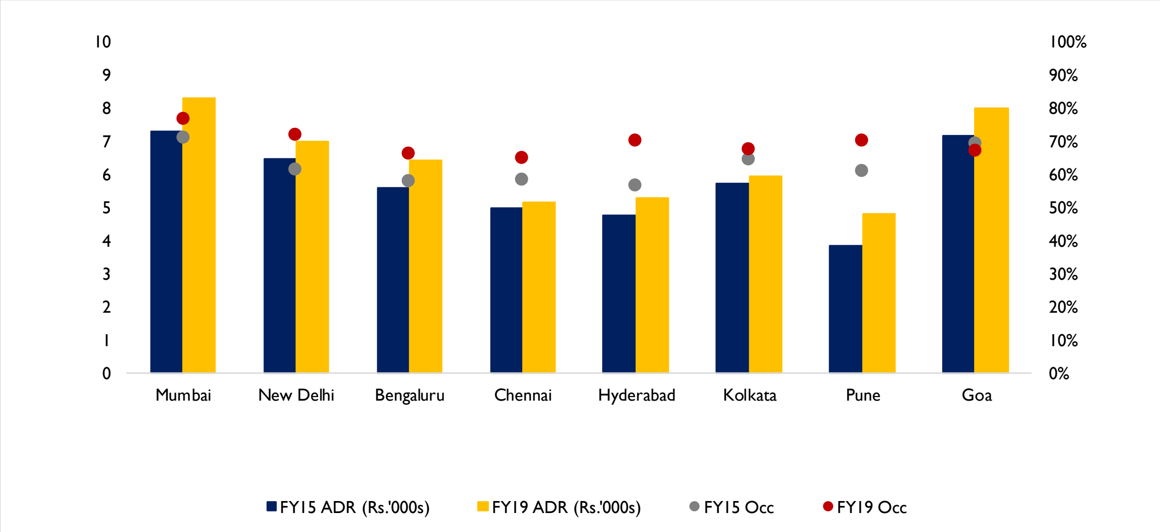
Source: Horwath HTL Report

With the exception of Goa, all markets have seen occupancy growth in the period of the financial year 2015 to the financial year 2019. Mumbai moved into the strong occupancy grid, while most other markets moved into the "busy" grid. Chennai is on the border of "medium" and "busy". Occupancy in Goa decreased in the financial year 2019 for the second straight year, as substantial new supply, high goods and services tax rates, decline in foreign demand and substantial roadworks in the market impact demand flow.

From a rate perspective, Mumbai, Goa and Delhi are now in the "superior zone", in a range of Rs. 7,000 to Rs. 8,300. Bengaluru has an improved ADR in spite of substantial new supply, from hotels completed in the last 24 months in the luxury and upper upscale segment. All other markets enjoy improved ADRs; Pune is on the upper end of the "soft" grid but at least has good occupancy levels.

It is important to recognise that a lower city-wide ADR is also an outcome of changing supply composition. This is because the overall city rate levels will naturally decline as more hotels from the mid-priced hotel sector come on board. On the other hand, ADRs in several markets have improved on the back of improved occupancy levels.

The following chart sets forth the performance of key cities for the financial year 2019 as compared to the financial year 2015:



Source: Horwath HTL Report

Overview of Key Impact Factors

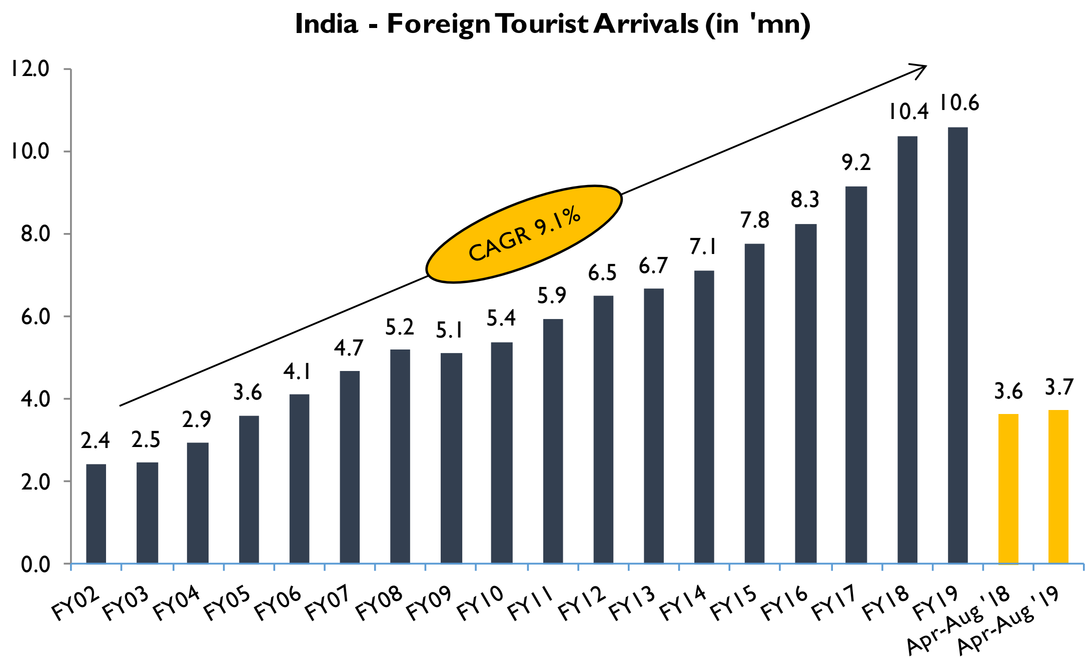
Tourism

Foreign Tourist Arrivals ("FTA")

FTA for the financial year 2019 was reported at 10,600,000 by the Department of Tourism, Government of India, up from 10.4 million for the financial year 2018 by 2.1%.

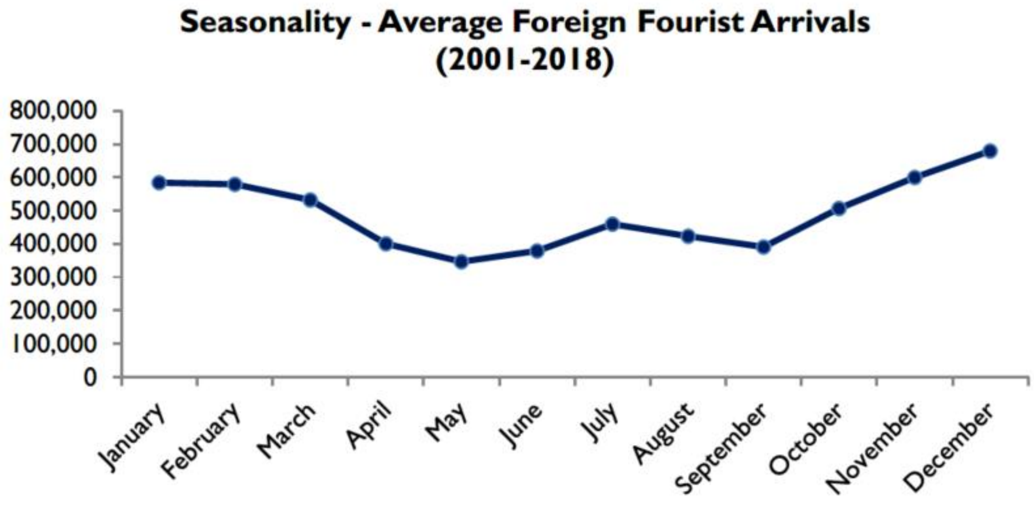
FTA numbers crossed the 10 million mark for the first time in the financial year 2018, resulting from an increase of nearly 4 million in the six years after the financial year 2013 through the financial year 2019. Double digit growth rates for the financial year 2017 and the financial year 2018 have not been maintained and there was a sharp reduction in growth rate for the financial year 2019. FTA for the five months up until August 2019 grew 2.5% over the corresponding period for 2018.

The following chart reflects the foreign tourist arrivals in India for the period indicated below (in millions):



Travel is impacted by several factors including external factors such as security, political and economic issues. These can materially impact travel sentiment into a destination or from the source market.

FTA reflects seasonality of travel as seen from the chart below. The winter months are clearly preferred for travel into India, particularly for leisure, various meeting, incentive, conferencing and exhibition ("**MICE**") events, top management or board level business visits and destination weddings.

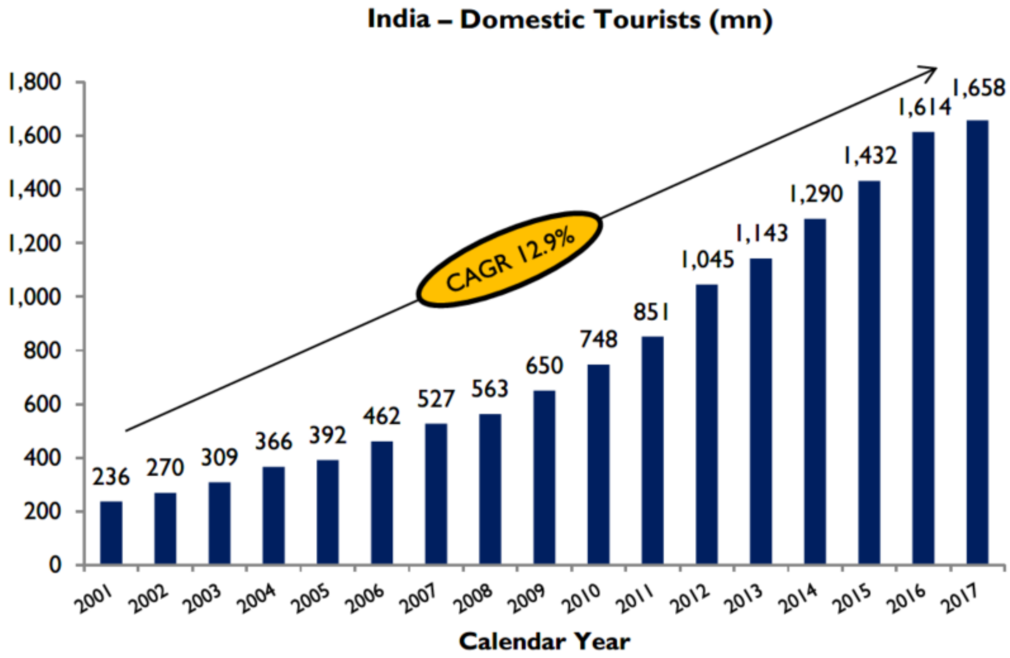


Source: Ministry of Tourism (India)

Domestic Tourism

Travel volumes, in terms of visits by domestic travellers, have grown at 12.9% CAGR between the calendar year 2001 and the calendar year 2017. Although hotels and resorts in India secure only a small percentage of the overall domestic travel in the country, this segment is an increasingly important demand generator for the hotel sector.

The number of domestic travels has grown nearly seven times, from 236.5 million visits in 2001 to 1.66 billion visits in 2017.



Source: Ministry of Tourism (India); data for 2018 is yet to be published

Access Infrastructure

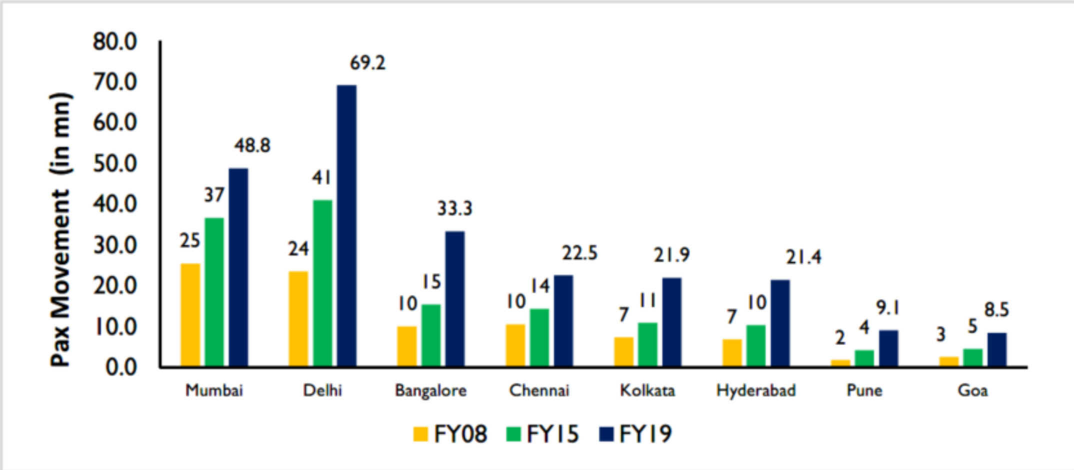
Better travel infrastructure, in terms of better roads and airports, is a major benefit for domestic travel whether for business, leisure, MICE or social purposes. The Golden Quadrilateral programme (highway and expressway linkages between Delhi, Mumbai, Chennai (with Bengaluru en route) and Kolkata) has also led to much improved national and state highways in other sections.

Similarly, several airports have been redeveloped, expanded or upgraded, creating material additional capacity. For example, New Delhi, Mumbai, Bengaluru, Hyderabad and Kochi have new and expanded airports developed through private sector participation. Airports at Jaipur, Ahmedabad, Lucknow, Mangalore and Guwahati have recently been privatised, and airports at several other cities and tourist destinations have been expanded and upgraded by the Airport Authority of India. The increased connectivity has enabled greater inter-region travel within India.

Air Traffic

Growth in air travel some key cities is summarised in the chart below:

Pax Movement in million for Key Markets



Source: Airports Authority of India

Passenger movement at these key markets for the Company grew at 9.3% CAGR between the financial year 2008 and the financial year 2018, while the CAGR growth in India was 10.4%.

Key Demand Drivers

Business Travel

Business travel comprises inbound and domestic visitation for business related purposes. This includes travel on corporate accounts and by individual business travellers. The business traveller segment is a predominant source of demand for hotels located in primarily business-oriented locations. The Company particularly benefits from this segment at its hotels in Delhi, Kolkata, Bengaluru, Chennai, Hyderabad, Vizag and Navi Mumbai, and at Zone by The Park Hotels in business cities.

Travel volumes are affected by public holidays and vacation periods that are observed nationally, regionally or locally. In addition, international holidays impact hotels in locations such as IT hubs which mainly serve western markets. This trend is consistent with global markets which see international business travel drop materially, from mid-December to early January, due to Christmas and New Year holidays.

Leisure Travel

The Company's hotels enjoy discretionary travel demand, for long or short leisure trips, including staycations. The boutique positioning of these hotels, and the quality of food and beverage (**"F&B"**) and entertainment offerings at these hotels, provide a major advantage towards drawing such demand; in turn, this has helped the Company's hotels achieve very strong occupancy levels. Few hotels, and hardly any hotel chain, achieve an occupancy of 88% to 90%, which was achieved by the Company for the financial years 2017, 2018 and 2019.

Leisure travel comprises vacation travel, including short duration vacations. Vacation travel is concentrated during school holidays. Greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity have materially encouraged short stay vacations, including on weekends and extended weekends when a public holiday combines with a weekend which occurs two to four times every year. Currently this demand is more predominant at upper tier hotels, hotels with good F&B and entertainment options, and a distinguished product style.

MICE Visitation

MICE related visitation is mainly driven by corporate conferences, training programmes and other events that are of a customer-facing nature. The demand tends to arise during the working week and occurs during several months of the year, barring the main holiday periods and the months from March through May. Demand for MICE tends to carry price sensitivity; and such demand may rise in off-season as these corporate clients choose to enjoy lower rates at better quality hotels. Hotels in predominant business locations generate MICE demand for training and corporate seminars, which could be day events or residential events. City center locations and resort destinations would usually be preferred for conferences with a recreational element.

Weddings and Social Travel

Weddings and social travel involve mainly domestic visits for the purpose of attending family weddings, destination weddings and other wedding-related or family celebrations (such as anniversaries). Other social demand also arises from time to time with guests increasingly preferring hotels over family houses; this trend will likely grow as sibling families expand, family homes decrease in size, and living standards improve. Demand for weddings and social events will gravitate to hotels with function areas, entertainment and dining options and guest room capacity.

Diplomatic Travel

Diplomatic travel brings in government leaders and representatives of other countries, arriving for specific purposes and often accompanied by large trade delegations, as well as diplomats posted to India and making use of hotels during the transition period. In general, this segment tends to utilise upper tier hotels.

Airlines and Airline Crew

This demand segment can help create a core demand for hotels, albeit at significantly discounted pricing. Crew demand could arise from international and domestic carriers; while the major international airlines prefer upper tier hotels, more price sensitive airlines are open to using upper midscale hotels. Airlines also require hotels for layovers in case of significantly delayed flights; this demand is relatively nominal and mainly occurs at hotels that are closer to the airports. In such cases, airlines prefer more moderately priced hotels that are nevertheless of a good standard.

Transit Demand

Persons at overnight transits between cities require hotel accommodation which is typically located close to the point of onward journey. Transit demand could occur on the inward and/or outward leg of international travels or for travels between cities that are connected through a regional hub.

Barriers to Entry

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

Regulatory approvals: Hotel projects require several regulatory approvals and licences, before implementation of the project and upon its completion prior to opening. The process of obtaining approvals can be time consuming and materially adds to the development lifecycle. Uncertainties associated with the timing of approvals have often caused delays in opening of hotels, significantly increasing interest cost during the construction period and pressure on debt service obligations. In addition, cost escalations occur due to delayed completion impacting project viability, funding of completion and initial operations, and project quality.

Policy changes: Policy changes by government can have a material impact on hotel operations and profitability. For example, imposition of prohibition on sale of liquor materially impacts discretionary and MICE travel into the market, and impacts the F&B earnings of hotels in those markets. Tourism and MICE destinations that are devoid of liquor service are negatively perceived by the market; notwithstanding the social or political objective, the economic impact on operating hotels, debt-service and return on investment and projects under development can be significant. Similarly, substantial delay in project completion for hotels in Delhi Aerocity, due to security issues that were not resolved by the authorities in a time bound manner, delayed the completion of several hotels.

Bank financing: Against the backdrop of several hotel projects which are in debt defaults, bankers are selective in providing development finance for hotel projects. Further, interest rates tend to be high, which are currently in the range of 10-14% with the lower range only being available to borrowers with established credibility. Until around four years ago, bank debt was provided with shorter tenures, typically eight years and a maximum of ten years. This duration is inconsistent with the fundamental characteristics of hotels which are long-term assets of a capital intensive nature requiring two to four years to stabilise operations. Combined with the aspect of project delays, loans with a shorter duration create debt service defaults on a frequent basis. Since the last 4 years, bankers are willing to extend loans with a tenure of up to 15 years, which is more consistent with industry needs and also better recognises its cash flow pattern. While this is a positive development, the previous history of debt defaults has curtailed bankers' appetite for loans, thereby limiting the funding options for hotels.

Availability of equity capital: Hotel projects require sizeable equity capital for project development and for meeting cash shortfalls during operations. Good projects can yield a healthy return on investment, although this is more likely to be over a longer term rather than the short or immediate term. It is important that promoters or developers have adequate financial capability commensurate with the scale and complexity of the project, as limitation of investment capacity may cause projects to be curtailed in size and/or scale, or to be completed to a standard that is lower than intended.

Shortage of suitable equity capital is a significant constraint towards the development of hotels, particularly portfolios of assets or hotels with large inventories of rooms and other facilities. There are few investors who have the capacity to effectively deploy adequate equity capital. Equally, there are few business groups that can truly pursue large acquisitions, although there are many opportunities in the market arising from debt stress; the number of transactions is fewer (relative to the number of deals available) due to a combination of high valuation expectations among stressed sellers, limited acquisition funding by banks and limited equity capital to pursue the acquisitions.

Distressed assets: The hotel industry has seen considerable debt-related stressed assets, including projects that are left incomplete or for which completion is prolonged to due lack of funding. Stress has arisen due to various factors: (a) debt terms, by way of high interest rates and repayment obligations over shorter periods that are generally impracticable for hotels; (b) higher project costs emanating from delays, which are caused by funding, regulatory approvals and project execution issues; and (c) slower demand growth due to slow general business conditions. The stressed assets create acquisition opportunities for interested investors.

Manpower shortages: From an operational viewpoint, there is growing shortage of manpower, particularly staff and managers with sufficient hotel operational experiences and skills. This poses limitations for all hotels but more specifically for hotels operated by owners as independent properties. From the viewpoint of staffing, hotel owners could be driven to chain operations, in future times.

Brand competition: In an environment where global hotel companies and brands are easily able to cross borders into India, the ability to create new hotel companies and brands is constrained by competitive pressure and more diversified backbone and management system needs for hotel companies. The international players, with diversified portfolios, global loyalty programmes and consolidation events, have established a strong presence in India.

From the Company's perspective in relation to these barriers to entry, (a) the Company's land bank in Navi Mumbai, Vizag and Pune will enable expansion/ completion of THE PARK hotels in these markets, with land available at historical costs; and (b) the Group has a hotel school in Navi Mumbai which helps provide a pool of trained staff for its hotels.

Hotel Ownership

Hotel ownership was initially concentrated among hotel chains; at the end of the financial year 2001, about 69% of chain-affiliated inventory was chain owned. Supply expansion under management contracts and franchise arrangements enabled chain ownership of hotels to reduce to about 29% of total inventory in the financial year 2019; this is a healthy development, as it utilises private capital from various sources for creating new assets. Ownership of hotels by developers or institutional investors is scattered; only ten parties have ownership of more than 1,000 rooms and the aggregate inventory with these ten parties is about 20,000 rooms (approximately 14% of total chain-affiliated inventory).

Revenue Composition and Operating Performance Comparison

The tables below provide a comparison of revenue performance and total expenses for the Company hotels relative to hotels in comparable segments in India:

Operating Performance Comparison – THE PARK Hotels and Zone by The Park Hotels

Parameter	FY17-18 ASPHL#	FY17-18 All India 5 star average	FY17-18 ZTP##	FY17-18 All India 4 star average
Occupancy	90.7%	72.6%		
ADR	5,147	5,704		
RevPAR	4,671	4,140		
	Per Available Room			
Total Revenue	**3,487,847**	**2,666,250**		
Rooms Revenue	1,704,759	1,458,335		
F&B Revenue	1,381,090	1,047,201		
Other Optd. Dept. Revenue	187,103	78,442		
Miscellaneous Income	214,896	82,272		
Revenue Mix %				
Rooms	48.9%	54.7%	54.8%	53.4%
F&B	39.6%	39.2%	43.3%	42.0%
Other Optd. Dept.	5.4%	2.9%	1.9%	4.6%
Miscellaneous Income	6.1%	3.1%		
Total	**100.0%**	**100.00%**	**100.0%**	**100.0%**
Total Expenses (% of Revenue)	69.0%	68.5%		

Source: FHRAI Indian Hotel industry survey 2017-18 published by FHRAI, Horwath HTL & STR; ASPHL Management for operating data of ASPHL owned hotels and ZTP hotels.

 # hotels at Bengaluru, Chennai, Hyderabad, Kolkata, Navi Mumbai, New Delhi and Vizag

only Coimbatore, Jaipur and Chennai

THE PARK hotels have significantly higher occupancy, compared to the industry. With the hotels being mainly in business cities, occupancy of close to 90% reflects substantial demand throughout the week at the hotels. From an ADR perspective, compared with 5 star hotels which include premium and upper-upscale hotels, THE PARK has a lower ADR than that of the comparable industry data. However, THE PARK hotels' RevPAR is higher than that of the 5 star hotels segment.

The F&B Revenue per available room for THE PARK hotels is substantially higher than the industry average for the all India 5 star hotels. This reflects the strength of its F&B and entertainment offerings. Miscellaneous Income includes Income from government grants which is a non-recurring item and has been received for financial years 17 to 19. The operating GOP is comparable with the industry; in fact, considering the relatively high share of F&B income, the PARK hotels' expense levels are in a positive mode, as F&B operations typically carry higher costs as compared with guest room operations. Importantly, the Company owned hotels do not need to incur any franchise or management fee for their properties.

Zone by The Park hotels are in a growth phase that will yield better operating synergies. In the financial year 2019, the total expenses at these three hotels reduced from 79% to 71%.

Comparison of the Company Hotels with Segmental Performance in Each Market

The performance of individual Company owned hotels is presented as occupancy index, ADR index and RevPAR index. Occupancy index = occupancy of hotel/ occupancy of market. Similar calculation basis is used for ADR index and RevPAR index.

An occupancy index of greater than 1 indicates the hotel's occupancy is higher than market occupancy; index of 1 indicates that the hotel's occupancy is equal to the market occupancy and index of less than 1 indicates that the hotel's occupancy is lower than the market occupancy. Similar interpretation basis applies for ADR index and RevPAR index in this report.

Performance data for ASPHL owned hotels is provided by ASPHL management and market / segmental performance data is obtained from the Horwath HTL Report.

City	Delhi NCR	Blr	Hyd	Chennai	Kolkata	Navi Mumbai
Comparison With	**Upscale**	**Upscale**	**Upscale**	**Upscale**	**Up-UpMid**	**Up-UpMid**
Occupancy Index						
FY17	1.36	1.36	1.13	1.48	1.54	1.14
FY18	1.33	1.32	1.20	1.54	1.49	1.05
FY19	1.29	1.20	1.15	1.47	1.36	1.12
ADR Index						
FY17	1.08	0.78	0.78	0.94	1.15	0.76
FY18	1.11	0.85	0.80	0.98	1.25	0.84
FY19	1.06	0.83	0.82	1.04	1.29	0.82
RevPAR Index						
FY17	1.47	1.06	0.89	1.39	1.78	0.87
FY18	1.48	1.12	0.96	1.51	1.86	0.89
FY19	1.36	1.00	0.94	1.52	1.76	0.92

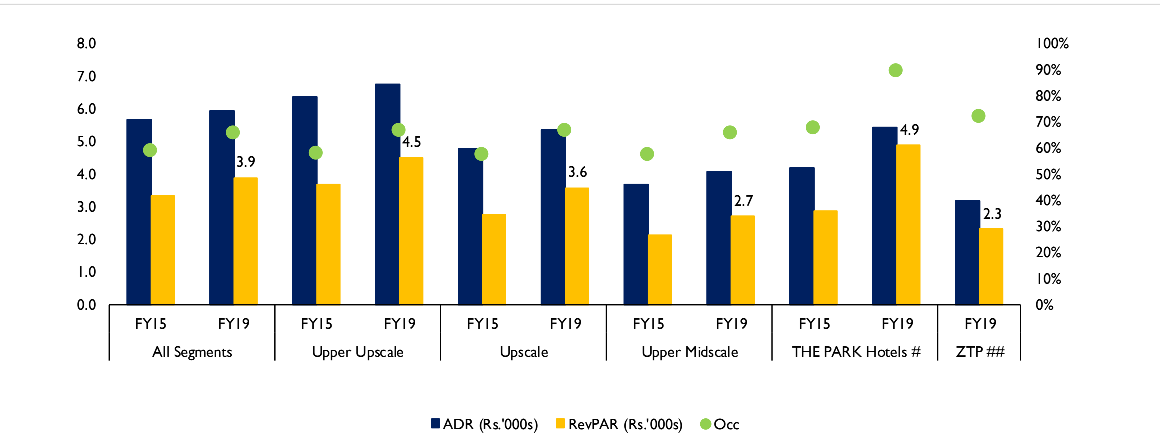
In certain markets, comparisons with the upscale segment were not possible as relevant data was not available. In such cases, comparison is with combined upscale and upper midscale segments. Vizag has been excluded since relevant market data was not available.

Out of the 54 index data points in the table above, the Company enjoys premium for 36 of the index data points. The Company has a very strong occupancy index across most markets, with chain-wide occupancy for THE PARK hotels at close to 90% for the financial years 2018 and 2019. At this level, there is minimal scope for further growth in occupancy, causing a limited reduction in premium in the financial year 2019 as other hotels increase their occupancy.

Going forward, strong occupancy levels should enable the Company hotels to grow their ADR, barring any pressure on rates and occupancy arising from slower general economic conditions. The Park Bengaluru rooms are being renovated and should draw a higher ADR.

Market Performance Analysis

The table below sets forth the performance of chain hotels on an all-India basis:



Source: Horwath HTL Report

Data for THE PARK hotels comprises of only seven owned hotels at Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Navi Mumbai and Vizag ## ZTP data comprises hotels at Coimbatore, Jaipur, Chennai, Bengaluru, Jodhpur and Gurgaon

The table below sets forth the key growth parameters of chain hotels on an all-India basis (CAGR FY15 to FY19):

Key Growth Parameters – all India CAGR (FY15-FY19)

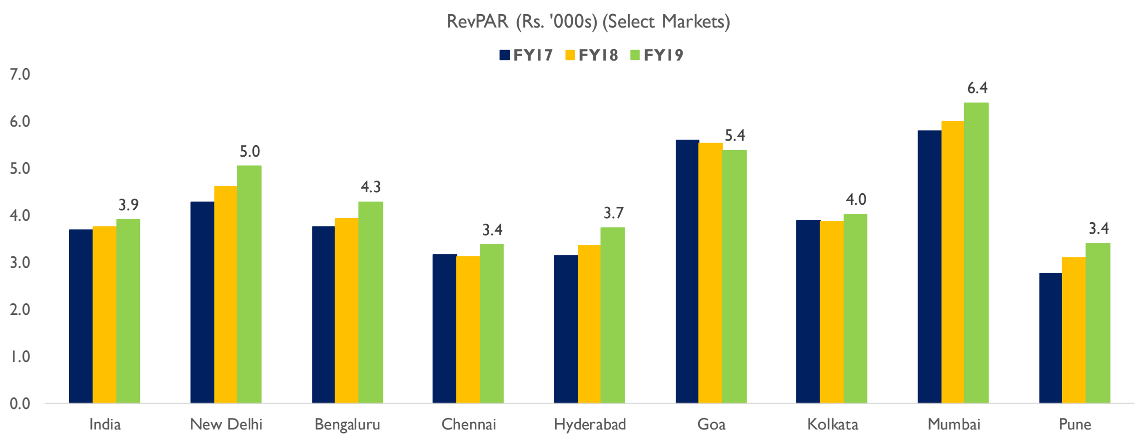
	All Segments	Upper Upscale	Upscale	Upper Midscale
Supply	7.4%	3.0%	8.4%	8.7%
Demand	10.9%	7.2%	13.1%	12.9%
ADR	1.2%	1.6%	3.0%	2.7%
RevPAR	3.9%	5.2%	7.0%	6.2%

The hotel sector had a difficult period from the late 2008s, with a double-dip in occupancy, mainly caused by demand-supply mismatch as hotel supply came through but demand growth was slower than expected. The slow economy, discouraging investment climate and security issues had an impact on demand in some seasons. All-India occupancy stagnated at 57% from the financial year 2012 to the financial year 2014 and grew marginally in the financial year 2015.

Slowing occupancy invariably leads to a decline in ADR, thereby impacting the levels of revenue per available room ("**RevPAR**"). Occupancy has revived since the financial year 2014 and more notably from the financial year 2015, as demand conditions have improved and new supplies have slowed. The upward trend in RevPAR has mainly been occupancy led, and is expected to continue or gain momentum. ADR levels are expected to improve, slowly in some markets and more strongly in some other markets which are already experiencing strong occupancy, as demand and occupancy levels grow. ADRs in India or by markets are also impacted by changed supply composition, with increased supply share of lower priced hotels compared to the luxury and upper-upscale hotels. The upscale and upper-midscale segments are seeing limited occupancy improvement as the supply side still continues to grow (in absolute numbers and also across newer markets). ADR growth in India is therefore at a moderate pace.

Performance of Hotels in India in Recent Years

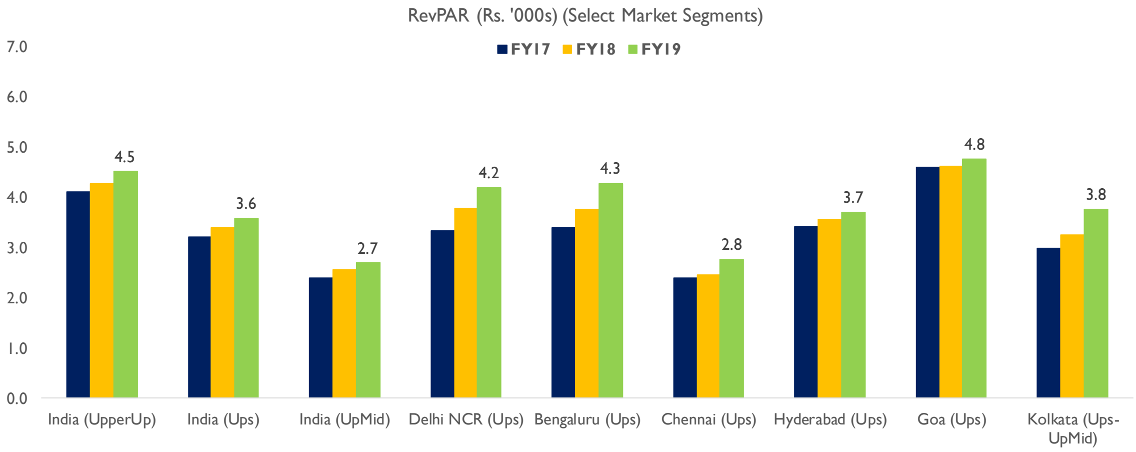
The following charts provides market-wide and segment-wide RevPAR for selected market and market segments, for the financial years 2019, 2018 and 2017:



Source: Horwath HTL Report

Demand and Supply CAGR for select markets is provided in the table below:

CAGR (FY15 to FY19)	India	New Delhi	Bengaluru	Chennai	Hyderabad	Goa	Kolkata	Mumbai	Pune
Supply	7%	5%	7%	9%	5%	9%	10%	2%	4%
Demand	11%	10%	11%	12%	12%	8%	11%	4%	9%



Source: Horwath HTL Report

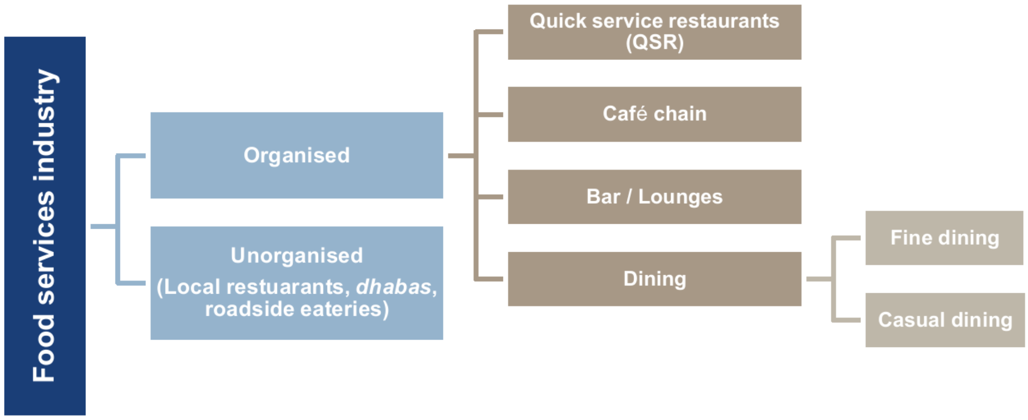
Demand and Supply CAGR for select market segments is provided in the table below:

CAGR (FY15 to FY19)	India (UpperUp)	India (Ups)	India (UpMid)	Delhi NCR (Ups)	Bengaluru (Ups)	Chennai (Ups)	Hyderabad (Ups)	Goa (Ups)	Kolkata (Ups-UpMid)
Supply	3%	8%	9%	11%	5%	22%	6%	25%	9%
Demand	7%	13%	13%	17%	14%	25%	12%	32%	12%

RevPAR trends have been positive across India and across most of the selected markets. In absolute numbers, RevPAR levels show wide variation between different markets depending on multiple factors such as: (a) degree of absorption of new supply; (b) pace of demand growth relative to new supply; (c) composition of new supply; and (d) business conditions in the respective markets.

Mumbai is in a strong position in terms of its demand-supply balance and therefore enjoys high RevPAR, which is above Rs. 6,000. This is also helped by the supply composition in Mumbai which is more upper-tier driven. The Company would gain from its new managed hotel in Mumbai, with a strong location that is appropriate for its luxury boutique hotel character. As prime markets for hotels, Delhi and Bengaluru have a positive trend of 9% to 10% RevPAR growth in the financial year 2019 as against the financial year 2018. Hyderabad is yet to regain full potential after many years of slowdown due to the state separation agitations, but the city and its hotels are in a positive mode. Chennai typically remains slow on the ADR front but has gained RevPAR through occupancy improvement; ADR levels have also shown positivity in several micro-markets particularly as luxury hotels have improved their rates to create space for lower tier hotels. Goa is working through a supply surge and some demand shift due to high GST. The reduced GST levels will help this market regroup and recover in the medium term.

Overview of Indian food services industry



Source: CRISIL Research

The Indian food services industry has been dominated by unorganised entities such as local restaurants and roadside eateries, including street stalls, hawkers, trolleys and standalone sweet shops, which continue to hold a major share in the total F&B service industry.

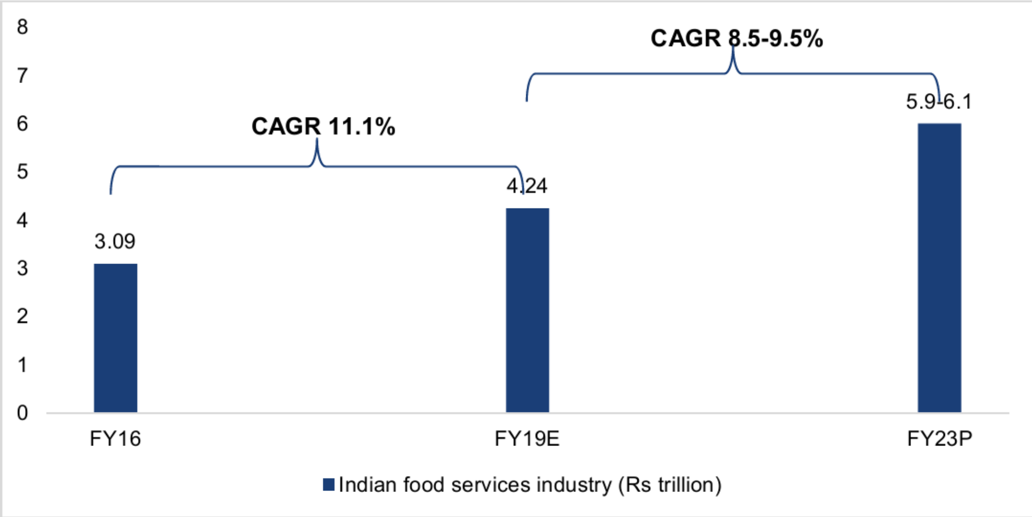
On the other hand, organised format includes quick service restaurants, café chains, bar/lounges and dining outlets. Organised outlets offer quality and service consistency assurance across outlets as well as quality food produce with more control over the food supply chain. The organised food services industry in India comprises independent/standalone as well as chain formats of restaurants, bars and cafes.

Estimated size of the Indian food services industry

India's food services industry to grow at 8.5-9.5% in the next four years

According to the National Restaurant Association of India (the "**NRAI**"), the food services industry was estimated at Rs 3.09 trillion in the financial year 2016, and has grown by around 11% CAGR to reach Rs. 4.24 trillion in the financial year 2019. The growth was driven by India's growing young population, rising disposable income, increased discretionary spending on eating out, growing number of women in the working population, increasing availability of restaurants offering a variety of cuisines and the proliferation of food-ordering platforms.

Estimated market size of Indian food services industry (Rs trillion)



Source: National Restaurant Association of India (NRAI), CRISIL Research

The NRAI has projected that the industry is likely to grow at 8.5-9.5% CAGR between the financial years 2019 and 2023 to reach Rs. 5.9-6.1 trillion by the financial year 2023, with the growth slightly moderating on account of a higher base.

Key industry trends and recent developments

Consumers opt for healthier meals and organic ingredients

Owing to their increasing awareness of the adverse effects of unhealthy ingredients, artificial flavours and sugary items, consumers have started opting for healthy alternatives such as farm-to-table meals, gluten-free diets, and sugar-free cakes. Consumers are also using old-world recipes featuring traditional ingredients such as jowar and bajra, as well as new-age recipes featuring organic ingredients.

Restaurants also have started adding healthy options to their menu to cater for a small segment of consumers who are able to afford healthy options. Established grocery retailers offering healthy food include the Future group's Foodhall and Spencer's Retail Nature's Basket. Brands such as Eat Fit, CureFit, and FreshMenu are also offering delivery of healthy meals, and even meals curated as per nutrition requirements.

Social media increases consumers' exposure to global cuisine

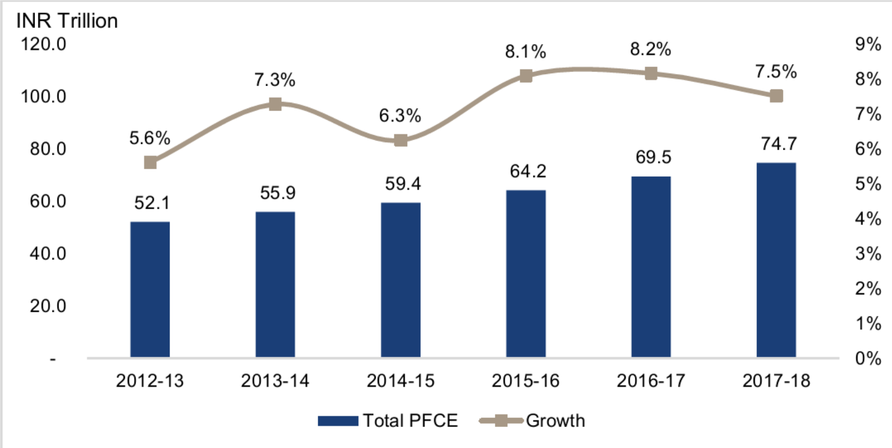
Food blogs and social media platforms help educate food enthusiasts about global and local cuisines, which in turn generates demand for the restaurants in their vicinity. Home chefs, who leverage social media to popularise their culinary skills, have been able to showcase their creations in regional or global cuisine in food festivals and popup markets.

Restaurants are utilising the wide reach of social media to their advantage by engaging with influencers to provide reviews and recommendations to their followers who are potential customers, and adjusting the décor and ambience of outlets to make them social media-worthy.

Overview of India's consumption expenditure

India's private final consumption expenditure, which is an indicator of consumer spending, grew to 7.5% CAGR over the past five years to reach about Rs.75 trillion by the end of the financial year 2018. While the growth of India's private final consumption expenditure remained healthy between the financial years 2014 and 2017, several economic developments (such as demonetisation and the GST implementation) have led to a slowdown in the overall spending growth in the near term.

Trend in PFCE



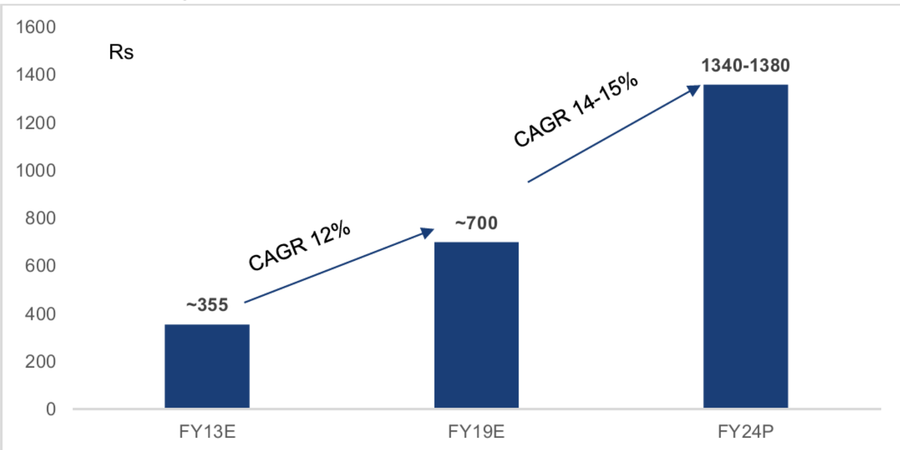
Source: MOSPI, CRISIL Research

Indian bakery market

Overview

The Indian bakery market is estimated to have increased to about Rs.700 billion in the financial year 2019 from about Rs. 350 billion in the financial year 2013, at a CAGR of about 12%. Some of the factors that have contributed to the industry's growth include rising disposable income, increased penetration in rural areas, gradual premiumisation, change in lifestyle and new product launches. Biscuits dominate the bakery market with an estimated 52% share in the financial year 2019, followed by chocolates (37%) and cakes and pastries (11%).

Trend in the bakery market



Note: E- estimated; P- projected

Source: Industry, CRISIL Research

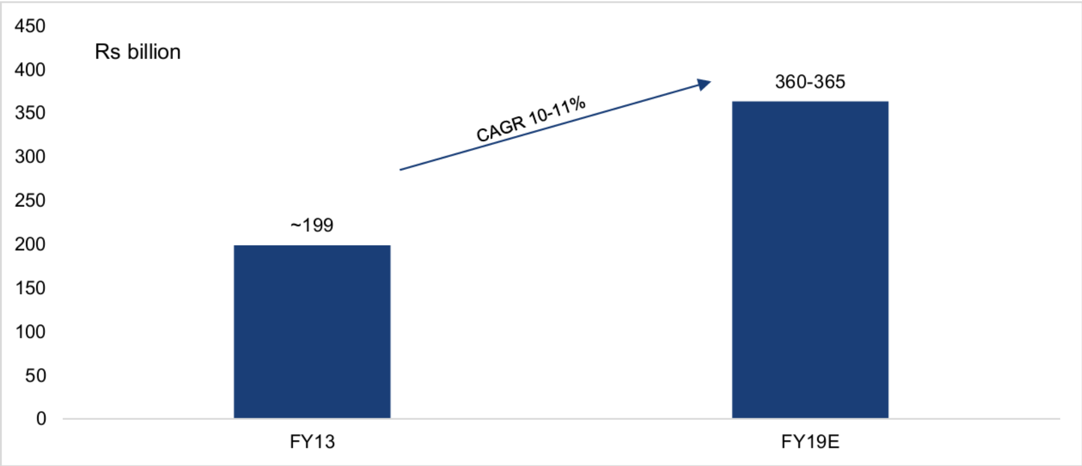
Overview of the biscuits segment

Biscuits dominate the bakery market in India

Biscuits dominate the domestic bakery market as they are convenient to carry, available in a wide variety of options and are more affordable than other bakery products.

India is the third largest global producer of biscuits after the US and China. Although biscuits are widely consumed in urban as well as rural areas, India's per capita consumption remains significantly low at 2-2.5 kg per annum, as against 10 kg in the US and 4.5-5 kg in Southeast Asia, due to the availability of several other traditional snacking options. In recent years, however, rising urbanisation and rapid increase in the variety of biscuits have brought about increased demand for biscuits and cookies. Between the financial years 2013 and 2019, the domestic biscuits segment is estimated to have maintained a 10.5% CAGR in value terms. Growth was largely driven by healthy volumes amidst a moderate price hike by manufacturers, supported by steadily rising population and disposable income, increased penetration of manufacturers into the rural areas, and impetus on new product launches especially for the health-conscious.

Trend in the biscuits segment size



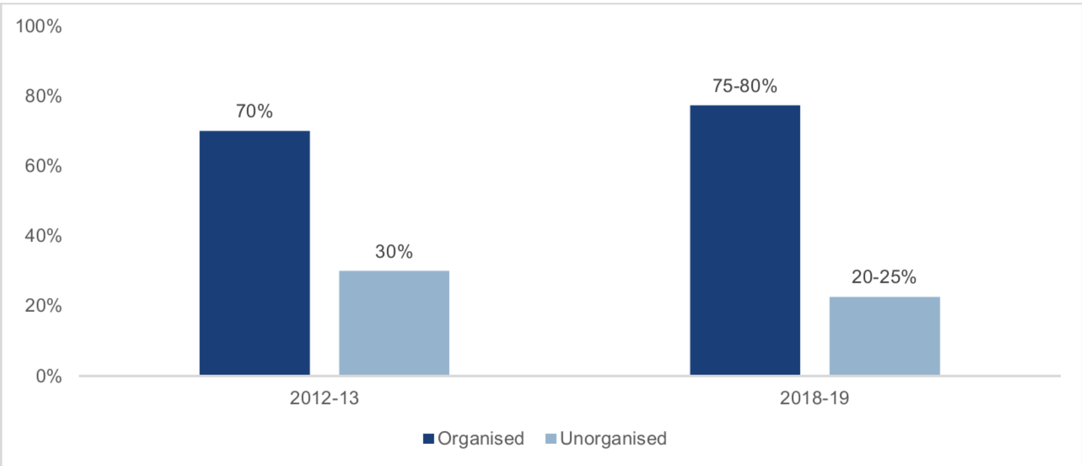
Note: E- estimated

Source: Industry, CRISIL Research

Organised players command a majority share

The biscuit segment is dominated by organised players with about 75% to 80% market share in the financial year 2019. Biscuits are generally manufactured in large scale and have minimal scope for customisation, unlike cakes and pastries. With a growth of 11-13% CAGR, the organised segment (comprising players such as Parle and Britannia) outpaced the unorganised segment over the past six years. It was largely driven by increase in investments by companies, improved distribution network, higher penetration in rural areas, launch and availability of innovative products, and increasing branding and promotional activities.

Organised versus unorganised biscuit players



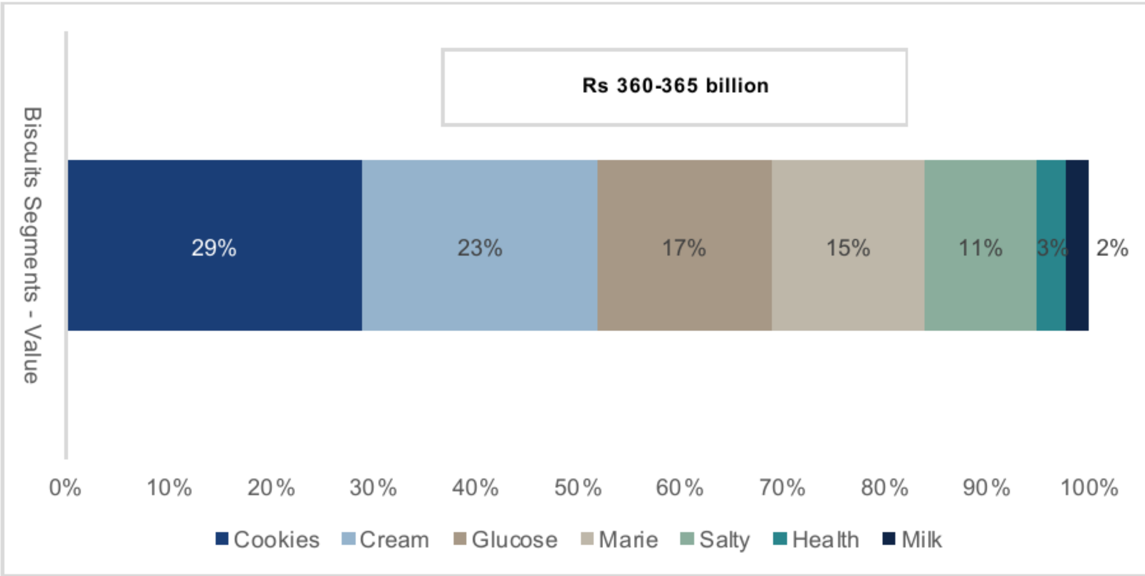
Source: Industry, CRISIL Research

Cookies occupy a large share in value terms

The cookies sub-segment is premium within the biscuits segment. It is estimated to have accounted for about 29% of the overall market size (in value terms) in the financial year 2019, despite accounting for only 20% in volume terms, largely because of comparatively higher ticket size than value sub-segments such as glucose, salty, milk, and Marie. The value segment, comprising milk, glucose and Marie products, accounts for nearly

55-60% of the domestic biscuits production volume given the low ticket size and wider reach. A uniform GST rate has been applied on all types of biscuits, which has disincentivised the production of value biscuits. Players are focusing on the production of premium biscuits and are increasing their investment in the cookie and cream categories, thereby driving demand for these premium biscuits. As a result, the share of premium biscuits amongst other categories is estimated to have exhibited a healthy growth over the years.

Break-up within biscuits (value) – Fiscal 2019

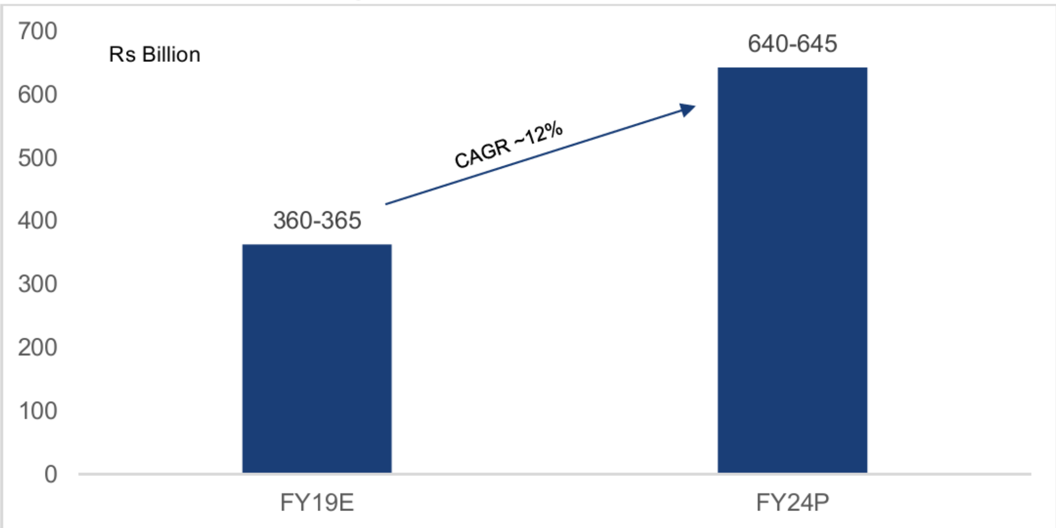


Source: Industry, CRISIL Research

Biscuits segment to continue its upward growth trajectory

The biscuits segment is expected to grow at a faster pace at about 12% CAGR through the financial year 2024 due to rapidly changing lifestyles, rising trend of snacking, preference for product consistency, rising premiumisation, increasing share of women in the workforce, increasing demand for on-the-go snacks especially amongst urban workforce, expansion of distribution network, innovative packaging, and launch of a wide range of products (including healthier options).

Trend in biscuits market during fiscal 2019 to fiscal 2024



Note: E – estimated; P - Projected

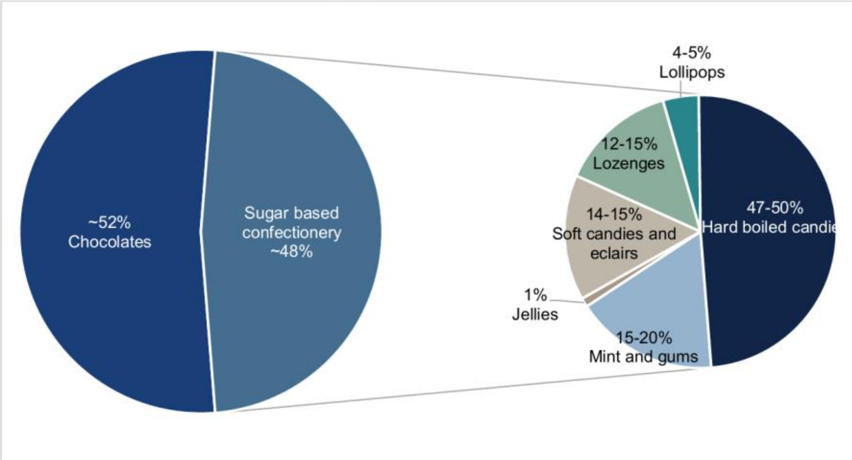
Source: Industry, CRISIL Research

Overview of the chocolates and confectionery segment

Chocolate-based confectionery constitutes a larger market share by value because of premium pricing over sugar-based candies. However, in terms of volume, sugar-based confectionery dominates the market because of easy storage and a wide variety of choices.

The chocolates and sugar-based confectionery market is estimated to have reached about Rs. 260 billion in the financial year 2019, compared to an estimated market size of about Rs. 125 billion in the financial year 2013, registering a growth of about 13% CAGR. With a growth rate of about 13-14% CAGR over the past five-year period, the organised segment had outpaced the unorganised segment,. The overall market is expected to continue on its growth trajectory by growing at about 12-13% CAGR through the financial year 2024.

Share of the chocolates and confectionery segment



Source: Industry, CRISIL Research

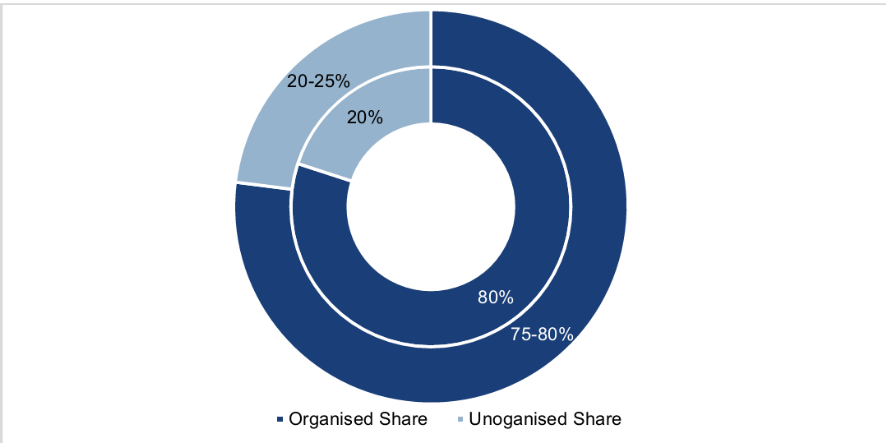
Chocolate-based confectionery market overview

Over the past six years, the chocolate-based confectionery market is estimated to have maintained a robust ~14% CAGR, growing at an estimated Rs. 148-153 billion.

Such growth was in line with India's rising per capita consumption, and was largely driven by improvement in cold chain storage, decrease in power cuts for refrigerated storage, and expansion in product offerings and push-marketing strategies.

Organised players occupy a major share in the chocolate-based confectionery market

Trend in market structure



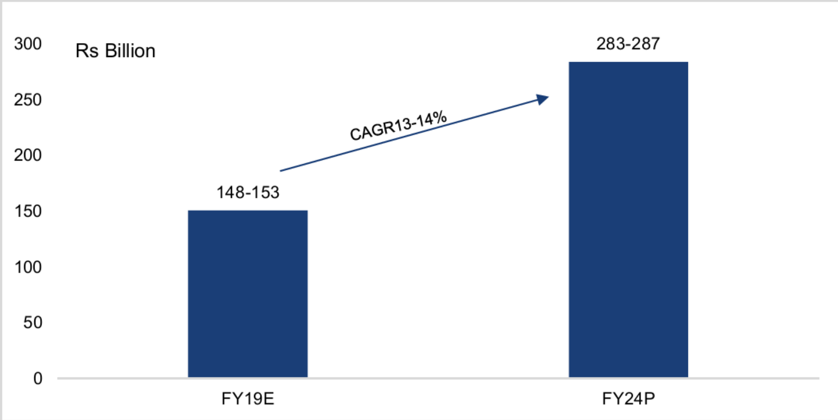
Note: Inner circle – Fiscal 2013; outer circle – Fiscal 2019

Source: Industry, CRISIL Research

Organised players dominate the segment with a market share of 75-80%, primarily owing to high entry barriers as presented by requirement on production expertise.

Chocolate-based confectionery market exhibit a healthy growth going forward

The chocolate-based confectionery market is expected to witness a CAGR of 13-14% between the financial years 2019 and 2024, driven by expected rise in premiumisation, increasing trend of gifting chocolates on special occasions, improving infrastructure such as uninterrupted power supply, better refrigerated storage facilities, and availability of sugar-free chocolates.



Note: E – estimated; P – projected

Source: Industry, CRISIL Research

International brands dominate the chocolate-based confectionery market

The domestic chocolate-based confectionery market is dominated by international brands (mostly multinational corporations) with a 90% market share in the financial year 2019. Key global brands include Mondelez, Nestle, Ferrero, Mars and Lindt.

Overview of cakes and pastries market

Cakes and pastries

Cakes and pastries are mass-consumed in urban areas. The market has a relatively low level of penetration and is highly unorganised with the share of the organised market at about 42-46% as of the financial year 2019. The segment is primarily categorised into three main sub-segments, based on the following type of bakers:

- Artisanal bakers: These bakers have expertise in handcrafting cakes and pastries and combining multiple ingredients, and are well-versed with the chemical reactions of the ingredients, enabling them to create the optimal environment for breadmaking. As they deal with primarily ingredients, their offerings are flexible, and they can customise the products according to consumers' requirement.

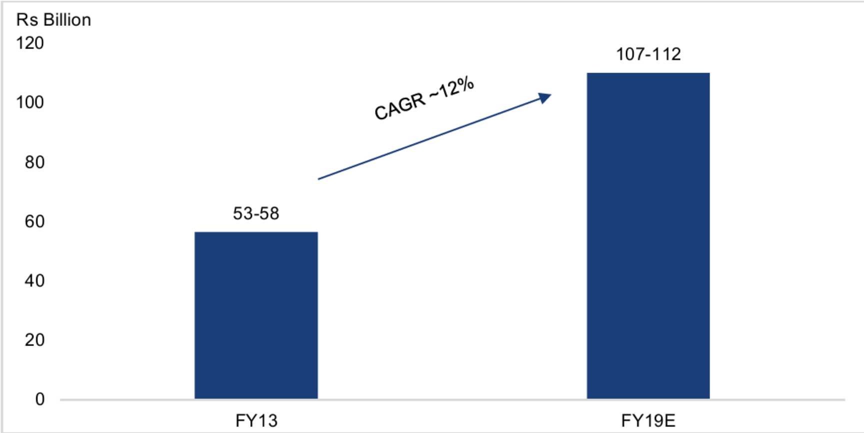
- Packaged cake producers: Industrial cake producers such as Britannia, Monginis and Pillsbury engage in the mass production of cakes with standard offerings across locations. The degree of customisation is minimal, but the quality is consistent. These products typically have a longer shelf life than other bakery products and are easy to transport.

- In-store bakers: In-house bakeries mostly offer standard products generally located within supermarkets or shopping malls. As the products are freshly made, they are preferred over packaged cakes and pastries.

Cakes and pastries market recorded robust growth in last six years

The cakes and pastries market grew by about 15-17% CAGR between the financial years 2013 and 2019, largely on account of rising transactions size as well as footfall, gradual rise in disposable incomes, replacement of traditional sweets with cakes and pastries during festivities, expansion of key bakery chains, launching of creative and variety of products, consistent product innovation, and inclusion of desserts in meals during corporate and personal travel.

Trend in the sugar-based confectionery market fiscal 2013 to 2019



Source: Industry, CRISIL Research

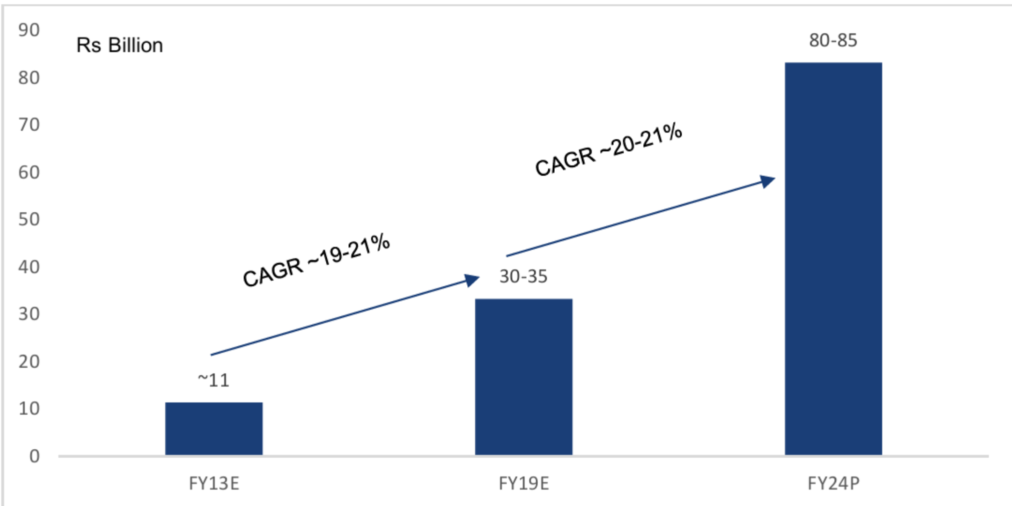
Unorganised segment dominates cakes and pastries market

The cakes and pastries market is dominated by unorganised and regional players. As the industry estimates, the bakery industry has nearly one million unorganised small-scale bakeries, and 1,800-2,000 organised or semi-organised bakeries. Low entry barriers in the form of low capital investment requirement, no requirement of major technical expertise, minimal regulatory compliance, growing demand of French bakery items, gradually rising premiumisation, standardisation of products and services, adherence to quality, and launch of healthy products have led to the mushrooming of bakeries in all major cities. In fact, unorganised players have been increasingly expanding their presence in tier 2 and 3 cities.

Nevertheless, between the financial years 2013 and 2019, the share of unorganised players decreased from 60-64% to about 54-58%. This was due to a slowing economy during the financial years 2013 and 2014, in which closure of several small-scale bakeries especially in rural areas, and implementation of GST which increased compliance cost.

Organised market to outpace overall market growth

Trend in organised cakes and pastries market – fiscals 2013, 2019 & 2024

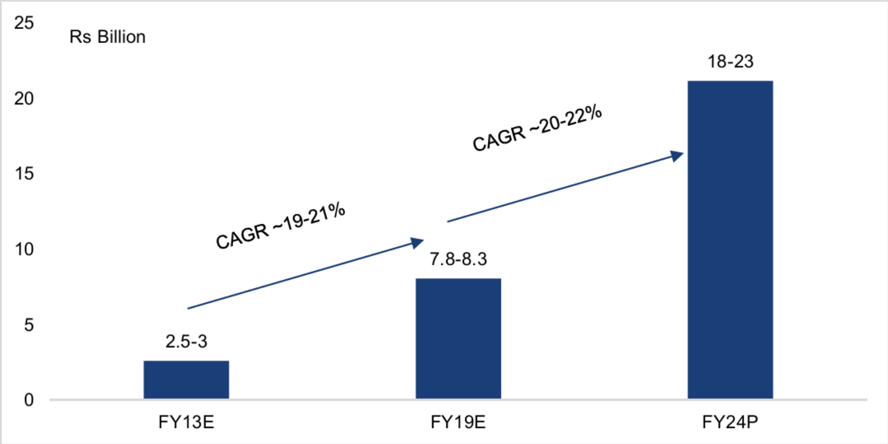


E: Estimated; P: Projected

Source: Industry, CRISIL Research

Premium segment outpaced overall growth

Trend in premium cakes and pastries market – fiscals 2013 to 2024



E: Estimated; P: Projected

Source: Industry, CRISIL Research

[Key definitions: Organised market/ Chains - CRISIL Research defines organised market as chain of bakeries with establishments of minimum 5 outlets across the country;

Premium market: Organised chain of bakeries with typical transaction size of over Rs 500 for two customers across their outlets]

Within the cakes and pastries market (including bakery snacks), the organised segment (bakery chains) is estimated to have accounted for a market share of about 42-46% share as of the financial year 2019, as against a market share of about 36-40% in the financial year 2013. During the same period, the premium segment grew at 19-21% CAGR, outpacing the growth of the overall cakes and pastries market, which expanded at 15-17% CAGR. The overall premium segment is estimated to have accounted for 10-12% of the overall cakes and pastry market as of the financial year 2019, which grew from an estimate of 8-10% estimated as of the financial year 2013.

The higher trajectory of the organised market (bakery chains) was on account of increased preference of consumers for quality, the ability of the segment to provide standard offerings across locations, wider distribution network, and affordable pricing.

Within the organised segment, the premium bakery segment is estimated to have accounted for 24-25% share, as of March 2019. In fact, the segment is estimated to have grown at a faster rate than the overall organised market, at 19-21% CAGR over six years, largely owing to rising disposable incomes, increasing demand for sophisticated bakery products, rising demand for bakery products influenced by western markets (such as croissants, doughnuts), rising transaction size, offering of a wide range of services such as full breakfasts, snacks, along with regular cakes and pastries. The industry also saw new players enter the premium segment, and existing ones expand their outlets.

Between the financial years 2019 and 2024, the premium bakeries' penetration is projected to expand further. Over the period, the organised market is forecast to register approximately 20% to 21% CAGR, whereas premium bakeries segment is expected to register approximately 20% to 22% CAGR. The marginally higher pace of growth of the premium bakery segment will largely be due to continued rise in disposable incomes, moderately increasing transaction size, gradual rise in footfall at premium bakery chains, increase in number of outlets or formats, growing influence of western bakery products, willingness of a young population to explore healthy snack options, and moderate premiumisation in Tier 2 and 3 cities, etc. The premium bakery segment is expected to account for about 12-14% by the financial year 2024.

International brands lack significant presence in domestic cake and pastry market

The cake and pastry market is largely domestic player dominated, at an estimated share of 80-85%. Limited variety of products, restricted distribution network and inability to cater to the Indian palate have restricted the entry of key global players.

Key growth drivers for Indian bakery industry

Biscuits segment

Gradually rising disposable income

Over the past few years, disposable income in India has grown steadily. It is expected that gradual economic recovery and consumers' increasing propensity to spend will increase the consumption of bakery products.

Changing lifestyle

There has been a growing preference of anytime snacks due to impetus on convenience, especially among the young population.

Targeting healthy conscious segment

With increasing health awareness, consumers are now opting for healthier snack options. Biscuit manufacturers have accordingly modified their offerings and introduced healthy variants such as digestive biscuits or fortifying the biscuits with iron, vitamins and other nutrients.

Low per capita consumption

India's per capita consumption of biscuits is only about 2.5 per kg per annum, whereas it is 10-12 kg in the US, the UK and other developed nations. India's low per capita biscuit consumption is largely due to availability and accessibility of traditional snack options. However, increasing trend of substituting snacks with biscuits owing to product standardisation and better shelf life reflects a huge potential for biscuit consumption to increase in India.

Premiumisation

Key biscuit manufacturers are offering biscuits in premium categories in order to differentiate the products from their competitors, expand the target consumer base, and maximise profit margins.

Cakes & pastries and chocolates

Innovation and affordability

There is an increasing focus on the innovation of bakery products to stay competitive with traditional Indian sweets which are relatively cheaper.

Increasing gifting trend

There is a soaring trend of gifting cakes and pastries during festivities, especially in the metropolitan cities. Going forward, there will be an increasing trend of gifting cakes, pastries, flowers, etc. in tier 2 and 3 cities.

Availability of varied flavours

Bakers are becoming increasingly innovative by offering varied flavours to suit every palate.

Cafés/hangouts places

Increasing trend of socialising especially amongst the youth has led to a rise in the number of new café formats such as bakery cafés offering bakery products such as puffs, muffins, croissants, chocolate products, cakes and pastries, along with beverages such as coffee.

Experimentation with flavours

Due to a rising trend of consumers opting for preservative-free, cholesterol-free, sugar-free, gluten-free and organic ingredients despite higher cost, bakers now offer to manufacture calorie-controlled pastries and cakes.

Key market trends observed in Indian bakery industry

Replacing traditional sweets with bakery items

People prefer cakes and pastries over traditional Indian sweets to for most festivities. There has been considerable influence by the West on the Indian market. Bakery-based sweets are the preferred choice amongst younger population across key markets in India.

Experimenting with offerings

In order to attract the young population, modern bakers are experimenting with unique offerings such as surprise-filled explosive cake ranges, savoury doughnuts, stuffed croissants, multi-grain croissants, sour dough bread, and gluten-free bread and cookies. Some of the key unique flavours include yuzu, cotton candy, activated charcoal and matcha tea.

Going all organic

Particularly in key cities, bakery owners offer organic products which are free from added preservatives, such as organic butter, organic flour, organic sugar and natural sweeteners.

Sugar-free bakery products

Bakers are offering sugar-free bakery products especially in key cities. Agave, nectar, stevia, cane syrup, molasses, coconut sugar, and jaggery are increasingly being used as alternatives to sugar.

Ingredient substitution

Bakers are substituting key ingredients with gluten-free, vegan menu, yeast-free, multi-grain bread options in order to attract the health-conscious segment. Colouring agents are being replaced by natural colours derived from plants. Yeast is also being replaced with baking soda, lemon juice, vinegar and buttermilk.

Focus on cake decoration

Bakers are increasingly offering exquisitely decorated cakes such as rustic naked, gravity defying, alcohol infused, drip, black icing, shard, mirror glazed, nut glazed and seasonal fresh fruit.

Increasing number of home bakers

The presence of home bakers is increasing in India as they offer personalised designs catering for the needs of customers and key events. They are able to experiment with varied ingredients and have certain cost advantages owing to the absence of major overheads compared with bakery chains. They often rely on word of mouth for publicity.

Growing online presence

Online ordering of cakes, pastries and flowers is steadily on the rise in key cities in India. Unorganised bakery players have also begun to benefit from online platforms provided by the food aggregators.

Presence in all formats

Bakery chains, especially the premium ones, have been opening outlets in all formats, i.e., in-store, kiosk counters (at airports) and restaurants (which also serve breakfast) to attract customers of all types and demographics.

Key challenges faced by Indian bakery industry

Rapidly changing consumer needs

There has been a rapid change in consumer demand for bakery products with preference shifting to organic, natural, and sugar-free products. In order to make modifications to existing products, bakeries are required to undertake significant investments for making necessary changes to equipment and process.

Reliance on imports

The industry partially relies upon the import of key ingredients such as specialty bread mixes, fruit fillings and important fruit-based flavours. This exposes the bakery industry to currency volatility and fluctuations in international prices.

Low entry barriers

The bakery industry is highly unorganised due to low capital investments (for standalone and home bakers) and lower standard for technical expertise. Unorganised players often refrain from adhering to prescribed norms and are under minimal supervision by the relevant authorities.

Product duplication

It is very common for unorganised bakeries to replicate products of premium bakery chains at substantially lower rates, thereby impacting premium bakery chains segment.

Lack of skilled labour

As the industry thrives on the skillset of chefs and bakers, it is important for bakeries to get the right set of people. There is lack of emphasis by the unorganised players on providing training to chefs and bakers, resulting in difficulty for bakeries to standardise the quality of their products. In recent years, training institutes have started offering formal bakery training courses.

Implementation of GST

Bakery products, especially cakes and pastries, attract 5% GST in restaurant-like establishments. For other cake shops, the imposed GST is 18%. This has adversely affected most of the bakery establishments, especially standalone stores which do not offer seating facilities.

Cost of production is estimated to have risen over the past few months due to a rise in the costs of key ingredients such as egg, edible oil, and butter. Higher taxation rates and increased compliance costs further increase the final price of bakery products, thereby affecting overall sales.

Increased compliance from regulatory authorities

The Food Safety and Standards Authority of India ("**FSSAI**") requires food production facilities to be equipped with wash basins, drying facilities, soap, disinfectant, dustbins, taps and a suitable controlled temperature-controlled water supply. This results in an increase in maintenance costs for bakeries.

Market assessment and outlook for café market in India

Overview of the café market

Cafés are small restaurants that sell light meals and non-alcoholic drinks. Cafés offer good value centres for social interaction. Some cafés also offer customers reading space and books, a corner place to conduct business activities, and Wi-Fi services.

Cafés are distinguished from dining places in that cafés provide appetising light meals and beverages at a good price, compared with more expensive full meal courses at dining places. Offerings differ and depend on the cafe brand's business proposition.

Cafés are a growing urban culture in India

Cafés have become part of the urban social environment and they are a popular venue for gatherings over a cup of tea or coffee l. Cafés are a meeting place for families, friends as well as office colleagues, and thus appeal to all communities, societies, genders, and age groups.

Indian café chain industry is valued at Rs. 44 billion for the financial year 2019

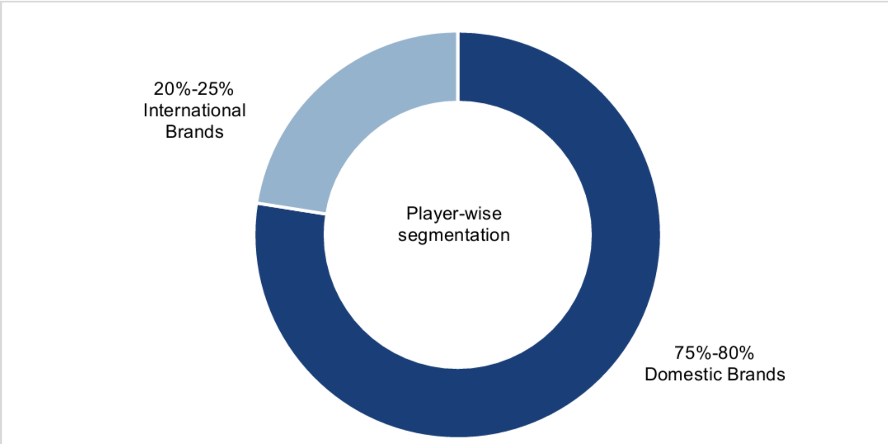
The Indian café chain industry is dominated by key players such as Cafe Coffee Day (CCD), Barista Coffee, Costa Coffee, Café Mocha, Starbucks, Chaayos, and Chai Point. Apart from coffee speciality shops, cafés focusing on tea beverages has also emerged lately. Various cafés now offer a combination of tea and coffee related beverages, with fruit/milkshake-based offerings as well.

The industry has grown at 10.0-11.0% CAGR between the financial years 2016 and 2019 to reach Rs. 44 billion in the financial year 2019. The Indian café industry has witnessed strong growth in the past few years due to an increase in consumers' propensity to eat out, rising working class and disposable incomes, an increase in demand for convenience, rise in casual interactions at social places such as cafés and restaurants and adoption of western and urban lifestyle. Café chains constitute 25%-30% of the total industry size, while the rest is catered for by local café outlets, classified as independent outlets.

Indian brands dominate café chains

Domestic Indian brands such as CCD, Café Mocha, Chai point, and Chaayos dominate the Indian café chain industry with a share of 75-80%, while the rest is catered for by international brands such as Starbucks and Costa Coffee.

Estimated break-up of domestic and international brands in Indian café chain industry (fiscal 2019)

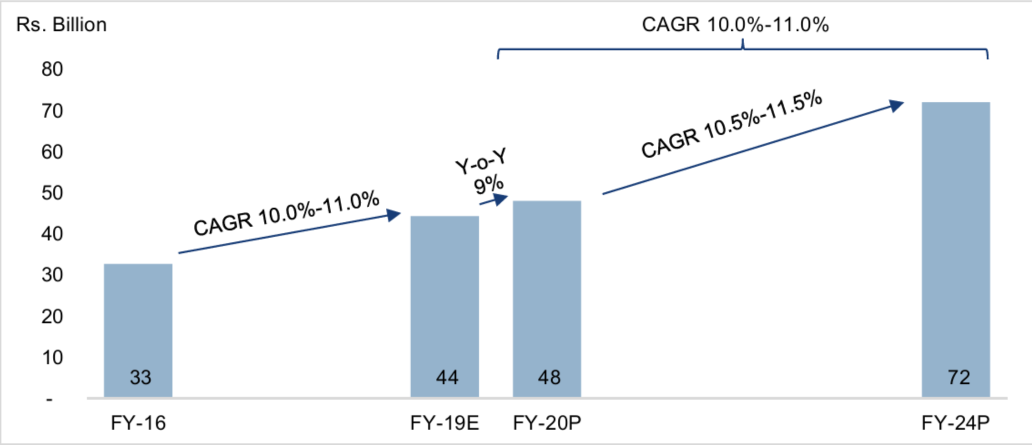


Source: CRISIL Research

Indian cafe chain industry set to surge higher at 10.0%-11.0% CAGR until the financial year 2024

According to CRISIL Research, the café chain industry is expected to grow at 10.0-11.0% CAGR to Rs. 72 billion by the financial year 2024. Such growth is supported by long-term healthy demand outlook backed by higher disposable income, favourable demographics, rising aspirations of the middle class, penetration in newer markets by organised players, increasing internet penetration, increasing number of young workforce, increasing focus on health and wellness, and technological advancements offering convenience. Growth in the financial year 2020 is expected to be slightly on the lower side, at about 9%, owing to a slowdown in the economy and muted consumer spending, but is expected to accelerate the subsequent financial years.

Market size of Indian café chain industry



Note: E: Estimated, P: Projected

Source: CRISIL Research

Key growth drivers for the industry

Coffee cafés introduced the café culture to Indian youth

Coffee and expresso drinks are a symbol of the West to a majority of urban Indians and are enjoyed by the young aspirational crowd as well as the new working age group. Specialist coffee shops appeal to young people as they offer high-quality coffee with a friendly social environment and services like Wi-Fi. Some products such as cold brew coffee, coffee and chocolate-based beverages are witnessing exceptional demand from youngsters. With demand for high-quality coffee beverages and a modern friendly ambience, coffee café chains offer good value to coffee-lovers from college-going youngsters to working professionals.

Tea cafés are gaining foothold by introducing the traditional drink in modern formats

Modern outlets are westernising the tea experience by offering tea in a café environment with light snacks targeting the working-class tea-lovers. The stigma around tea being age-old is being removed with the introduction of herbal and detox herbal green tea blends. The health-conscious young consumers are considering herbal tea as the preferred beverage. There is prospect for the upcoming tea cafés and related outlets to offer differentiated service and experience around the simple tea product which has its roots in every Indian home.

Increased discretionary consumption and westernisation to boost the café industry

The Indian café market is growing due to rising consumption by the young urban population along with penetration of urban outlets in tier 2 and 3 cities of India. Consumer behaviour is evolving to adapt to western and urban culture. An increase in disposable income and the young demographics have supported new trend of social interaction, to the extent that spending Rs. 150-250 on a cup of coffee or tea along with a light meal is common for the urban Indian consumers nowadays.

F&B service outlets are favourite places for the urban youth to spend time

Cafés also offer a perfect venue for quick formal and informal meetings. The demand from the young working population is growing in line with their changes in lifestyle. Cafés are a good place for friends and colleagues to network and to take a break from the work schedule.

Urban India is increasingly preferring dining out

Eating out has become a form of entertainment or leisure activity for consumers today. Food and beverages have become an integral part of urban culture and customers today are willing to try different options.

Public spaces have led to demand for new service formats such as kiosks

Organised players now have more options on location for service formats such as metro stations and transportation hubs. Kiosks are a relatively new format, which serve Chinese food, corn and chaat (spicy Indian snacks). They are also entering the space occupied by branded players such as shopping malls, and metro stations.

Some growth drivers for consumption demand in the café industry are set out in the below table:

Income Growth
• Steady rise in average household income: Household income grew by about 12% CAGR (fiscals 2012 to 2018) • India's per capita income grew by 5% during fiscals 2017 to 2018 (in rupee terms)
Urbanisation
• Share of population in urban areas rose from ~26% in 1990 33.6% in 2018 • Urbanisation is expected to increase further and thereby, boost consumption
Nuclearisation
• The number of nuclear families have increased by about 2.7% to 172 million in 2011 vis-à-vis 135 million in 2001. Households are increasing at higher rate than the country's overall population growth of 1.7% during the same period
Desire for better standard of living - Attitudinal shift
• With increase in income levels, rise of education, more number of working professionals and exposure to global lifestyle, Indian consumers are aspiring for more comfort and better standard of living, thus boosting demand for experiential goods and services
Favourable demographics
• Significant population belongs to the 15-35 age group with higher consumption levels and aspirational needs, boosting consumption-driven industries

Expansion by organised players
• Penetration of organised players into Tier 2 and 3 cities and towns on account of demand from growing urbanisation and change in consumption patterns

Source: CRISIL Research

Key regulations and challenges for the industry

Major risk factors and challenges

The F&B service industry in India is affected by food price inflation, the lack of developed cold chain infrastructure, fragmented value chain, high food wastage, multiple licensing, registration and regulation processes.

High rental and labour costs impact store profitability

For food services outlets, store rental and maintenance costs are the second major cost component after raw materials.

Major players have been very cautious about adding new stores due to high rental and maintenance costs and have been focusing more on existing stores, while shutting down stores that are not profitable. At the same time, they have also been cautiously penetrating into Tier 2 and 3 cities, where high growth potential has been identified. India has been experiencing an increase in real estate prices due to increasing demand from urbanisation and credit availability. High real estate prices for key locations and increased competition impact store profitability.

Further, labour costs are particularly high in urban India. Wages and salaries coupled with low retention rate increases the total labour costs. There is rising expectation from the workplace, both in terms of salaries and work environment. At the same time, there is lack of skilled labour due to inadequate professional training and courses. Thus, the return on employee investment is limited. With a low-skilled workforce, there is a huge gap in labour availability and hence labour costs are always on the rise.

Highly competitive market impacts store sales

The Indian food services market consists of small-scale, mid-size unorganised players and large chain players.

This fragmented market poses competitive factors such as indistinguishable format segmentation, varied options for dining out across categories, and price points.

Competitors include kiosks and food aggregators that offer convenience. Although food aggregators bring an increasing number of orders, their strategies of offering discounts reduce profit margins for the players. As consumers become increasingly comfortable with ordering food to their doorstep, they may not visit the stores at all.

Changing customer preference and diversity in the Indian consumer market demands customised modifications

Target customer segmentation is challenging but necessary to create distinct offerings, in order to cater to the taste of diverse consumers in terms of ethnicity, palate and food preference. This drives the industry to invest in customer analytics or market research to understand the changing customer preference and market trends.

Generally, consumer loyalty is low in the Indian market. It is a challenge for the players to retain consumers. It is imperative that food services players modify their offerings from time to time – be it the menu, the format, or the concept – in order to establish a unique selling proposition and attract diverse consumer segments.

Supply chain integration is another key challenge given the large unorganised sector

The industry's supply chain, from food suppliers to logistics and transportation, is fragmented in nature and marked by the presence of multiple intermediaries and unorganised players. The lack of appropriate infrastructure, inadequate technologies, and non-integration of the food value chain leads to high food wastage across the supply chain.

Given the perishable nature of F&B products, there can be considerable wastage resulting in high losses for players . It is therefore necessary for players to invest in an efficient supply chain to ensure a smooth, uninterrupted flow of operations, especially since players operate over vast geographical locations.

Strong backward integration is important for consistency, quality, efficiency, and brand establishment

To maintain quality and consistency across locations, cafe chains enter into contracts with the suppliers of F&B items and processing companies. Certain coffee chains enter into contracts with roasters from where they source their roasted coffee beans, while some chains have their own plantations from where beans are sourced, roasted, and then ground at their outlets (e.g., Cafe Coffee Day).

Key characteristics for café market

High lease rental	• Lease rentals form a critical parameter, especially when the chain is in a metro city
Wastage	• Multi intermediaries in the supply chain and inappropriate infrastrucutre lead to wastage
Food inflation	• Ability to pass on rise in food inflation could protect margin pressure, as raw material forms a major cost component
Attrition	• Most of the players face double-digit attrition in the industry and limited skill labour further impacts the service delivery

Source: CRISIL Research

Key industry trends and recent developments

The number of café chains and brands is on the rise

The Indian market saw the emergence of domestic brands such as Tea Villa Café, Chaayos, Chai Point, and Tea Trails. There are many more brands in the growing list of Indian QSRs and cafe chains, which are in the process of raising funds.

Established players are expected to have major store additions. Relatively new entrants will also be significant – brands such as Chaayos, Chai Point, and Tea Villa Cafe that have entered the market in the past three years are expected to rapidly expand their store network.

Coffee cafés see competition from tea cafés

The arrival of tea cafés has introduced competition within the café segment. The tea cafés have attracted Indian urban consumers who have a higher level of disposable income to spend on branded cups of the hot beverages and consumers who have a preference for tea beverages.

Kiosks

Public places such as airports, metro stations, and shopping malls have introduced the concept of kiosks catering to tea/coffee-lovers on the go. Such kiosks have replaced street tea vendors at office corners for quick tea/coffee breaks. Various brands such as New Delhi-based tea kiosk chain Chai Thela, Chai Garam, Tea Halt, and Mumbai-based Haazri have entered the market with pocket sized outlets to cater for the demand for a quick cup of tea/coffee.

Boutique cafés

Tea blenders or tea curated by tea sommeliers is the new trend amongst premium tea cafés. The high-end cafés serve premium tea from around the world with sophisticated décor. Boutique café Infinitea has been serving more than 150 international varieties of tea to people in Bengaluru since 2003. Vintage theme-based Tasse de Thé (TDT) offers a large variety of teas with a luxury touch. Similarly, the Aap ki Pasand Tea Gallery near Red Fort is well-known among tea connoisseurs in Delhi.

Limited edition/ seasonal offerings

Apart from health-specific zero-sugar drinks or innovative recipes, players in the industry are also offering limited edition seasonal drinks with innovative marketing campaigns in order to capture customer attention.

In 2019, Starbucks introduced limited edition Pumpkin Spice Latte in India, based on a seasonal drink theme. Tea Villa Cafe and English entertainment channel AXN had collaborated to launch the AXN Summertime Menu, marking the latter's 20th anniversary in June 2019. In July 2019, Barista launched the Hitachi Alphonso Smoothie, an innovative marketing partnership with Hitachi Air. Inspired by the cool air philosophy of Hitachi, it blended Alphonso mango with vanilla ice cream and milk, custom-made drink to give patrons much-needed relief from the scorching heat.

Competitive Assessment

CRISIL Research has evaluated the key players across bakery and café segments in the section below:

Companies	Incorporation date	Registered office location	No of outlets
Bakery segment			
Flury's Swiss Confectionery Pvt Ltd (Flury's)	1946	Kolkata	39[1]
Bliss Chocolates India Pvt Ltd (Smoor)	2015	Bengaluru	17[2]
French Bakery Pvt Ltd (L'Opera)	2008	New Delhi	18[2]
Theobroma Foods Pvt Ltd (Theobroma)	2004	Mumbai	39[2]
Café segment			
Barista Coffee Company Ltd (Barista)	1999	New Delhi	~225[2]
Coffee Day Global Ltd (Café Coffee Day)	1993	Bengaluru	1,752[3]
Tata Starbucks Pvt Ltd (Starbucks)	2011	Mumbai	151[4]

Note:

1: As of December 2019, as per company disclosure

2: As of October 2019, as per company website

3: As of March 2019, as per company presentation of Coffee Day Enterprises Ltd for fourth quarter of fiscal 2019

4: As of June 2019, as per company presentation of Tata Global Beverages Ltd for first quarter of fiscal 2020

Source: Company annual reports and presentations, Company website, CRISIL Research

OUR BUSINESS

The industry information contained in this section is derived from the reports titled "Industry Report – Upper Tier and Upper Midscale Hotels" dated December 24, 2019 prepared by Horwath HTL and "Assessment of the Bakery, Café and Confectioneries Market in India" dated December 2019 prepared by CRISIL, which were commissioned by our Company in connection with the Offer. Neither we, nor any other person connected with the Offer has independently verified the industry information. References to hotel segments in this section are in accordance with the presentation in the Horwath HTL Report and we do not report our financial information by these segments. For details regarding the disclaimers issued by CRISIL and Horwath HTL in respect of the CRISIL Research Report and the Horwath HTL Report, respectively, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 17.

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our Subsidiaries, on a consolidated basis.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Summary of Financial Information and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 27, 106, 64 and 302 respectively, as well as the financial, statistical and other information contained in this Prospectus.

OVERVIEW

We are one of India's top 10 hospitality companies in the upscale segment and we have pioneered the concept of luxury boutique hotel in India under "THE PARK" brand, which has since been extended to our upper-midscale brand "Zone by The Park", according to the Horwath HTL Report. We own and manage hotels for over 50 years, with our first hotel being launched under our brand "THE PARK" at the iconic Park Street in Kolkata. We operate hotels under three brands, namely "THE PARK, "THE PARK Collection" and "Zone by The Park". As of the date of this Draft Red Herring Prospectus, we own and operate as well as manage 22 hotels in 15 cities across India, with 1,937 rooms. According the Horwath HTL Report, "THE PARK" hotels recorded RevPAR of approximately ₹4,900 and an occupancy rate of 90% for the year ended March 31, 2019, which is significantly higher than the average occupancy rate of 67% and RevPAR of ₹3,600 in the upscale segment.

We own and operate hotels under our own brands. We also operate hotels under our brands on operation and management contracts for third party owners. Our three brands are as follows:

- "**THE PARK**" brand is positioned at the luxury boutique level, with a brand ethos that concentrates on design, style, and service to create differentiated and unique experiences at each hotel.

- "**THE PARK Collection**" brand encompasses small luxury properties located in unique travel destinations targeted at the luxury hotel segment delivering personalized guest experiences.

- "**Zone by The Park**" brand is positioned at the upper midscale level. The hotels focus on the "boutique" element, and offers differentiation to a wider market to which hotels under this brand are targeted.

At present, we have pan-India presence in metros such as Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, Delhi – NCR as well as in other major cities such as Coimbatore, Goa, Jaipur, Jodhpur, Jammu, Navi Mumbai, Raipur and Visakhapatnam.

We also operate a retail food and beverage business segment under the brand *'Flurys'*, which possesses a distinctive track record since it was first established as a tea room and confectionery shop in Kolkata. We operate under multiple formats such as kiosk format, café format and restaurant format. As of the date of this Draft Red Herring Prospectus, we operate 38 outlets in Kolkata, and one outlet each in Navi Mumbai and New Delhi. According to the CRISIL Research Report, we have outperformed our identified peers based on net profit margin for the recent Fiscals.

Our extensive experience in developing large scale hospitality business has resulted in us gaining a strong understanding of industry and market trends. Our vision of "Leadership through Differentiation" provides us with a competitive edge in our business, delivering consistently superior operating performance. Our vision is to ensure the profitability and growth of the company for the long-term benefit of our stakeholders.

We are part of the Apeejay Surrendra group which is a leading Indian conglomerate. The group's business is spread across industries such as hospitality, shipping, tea, real estate, retail brands such as Oxford bookstores, and education.

We operate our hotels through a combination of the following: (i) direct ownership of hotel properties, (ii) long-term lease or license arrangements for the land and buildings, (iii) operation and management agreements on a contractual basis using our brand of hotels constructed by third parties. These diverse modes of business operations complement each other and enable us to efficiently allocate our capital and capitalise on our brand for achieving sustained growth. Our properties under development include the expansion of two of our existing owned hotels, and the addition of one owned hotel, 10 managed hotels and one leased hotel. The properties under our pipeline represent 1,536 rooms, which are expected to commence operations within the next three years.

The following table sets forth the income, room occupancy, ARR and RevPAR of our hotel properties for the years ended March 31, 2017, 2018 and 2019 and for the three months period ended June 30, 2019:

	Three months period ended June 30,	**Year ended March 31,**		
	2019	**2019**	**2018**	**2017**
Total Income (₹ in million)	997.21	4,309.50	3,883.86	3,706.23
Rooms Occupancy (%)	86.02	89.70	90.75	88.59
Average Room Revenue (ARR) (in ₹)	4,904	5,435	5,147	4,716
RevPAR (in ₹)	4,218	4,876	4,671	4,178

Sale of food and beverage and sale of wine and liquor contributed to 37.23%, 39.15%, 41.53% and 40.79% of our total income for the years ended March 31, 2017, 2018 and 2019 and the three months period ended June 30, 2019, respectively. According to the Horwath HTL Report, "THE PARK" hotels' food and beverage revenue per available room is substantially higher than the average of all India 5-star hotels. This position reflects the strengths of our food and beverage and entertainment offerings. Our food and beverage business segments add a non-cyclical element to the seasonal hospitality industry and the synergy between our hospitality and food and beverage business segments allow us to extract greater value from pooled resources and technical know-how. Our consistent focus on achieving business and operational excellence has ensured sustained revenue growth. Sale of food and beverage and sale of wine and liquor for the years ended March 31, 2017, 2018 and 2019 and the three months period ended June 30, 2019 were ₹1,379.83 million, ₹1,520.58 million, ₹1,789.57 million and ₹406.80 million, respectively.

COMPETITIVE STRENGTHS

We believe that we can capitalise on our following competitive strengths:

Demonstrated ability to grow successful brands through product innovation and service excellence.

Each of our brands, "THE PARK", "THE PARK Collection", "Zone by The Park" and *'Flurys'*, have received numerous awards and accolades. For further details, please see "*Our Business – Awards and Accreditations"* on page 161 of the Draft Red Herring Prospectus. We are committed to being an innovative leader in the upper tier and upper mid-scale hotels through continually improving service delivery, and the quality of our products and facilities. We have successfully created brands as part of our food and beverage and product offerings, which include Zen, Someplace Else, Tantra, Roxy, iBar, The Leather Bar, Pasha and Aqua, and our spa and wellness offering, "Aura". Through the strength of our brands, we have been able to expand and develop our product offerings within a short span of time. Since the launch of our brand "Zone by the Park" in 2015, the brand has gained recognition in the local hospitality industry, we have expanded to six cities.

We believe our vision of "Leadership through Differentiation" provides us with a competitive edge in our brand and business strategy. Our complementary product offerings provide our customers with a multi-faceted travel and leisure experience and enable us to cross-sell across multiple market segments, resulting in repeat customers. Our established track record and strong brand recognition allow us to target wider customer market segments and drive growth in our various business segments. Our pipeline of 10 managed hotels in the next three years is a testament to the strength of our hospitality brands.

We operate individual hotels with distinctive character and provide curated experiences which differentiates us from the rest. We have the unique ability to service a wide customer base as each of our hospitality brands cater to distinct price points and customer requirements. "THE PARK" brand is associated with boutique hotels that carry a strong design-led character, combined with luxury features and guest comfort and personalised service. The design-focus theme extends to all public areas, and to the dining and entertaining experiences that are fundamental to the guests' experience at each hotel. "THE PARK collection" brand encompasses small luxury properties located in unique travel destinations targeted at the luxury hotel segment delivering personalized guest experiences. "Zone by The Park" brand offers the product differentiation to a wider market to which hotels under this brand are targeted. Our core brand attributes of exceptional design and architecture and superior food and beverage offerings have helped us firmly established our market position as one of India's leading hospitality companies.

We have partnered with leading Indian and international designers to create the unique and differentiated spaces at our hotel properties. For example, we have partnered with Conran and Partners (UK), Hirsch Bedner Associates (LA), Skidmore, Owings & Meryll (New York), Project Orange. We have worked with Project Orange to conceptualise "Zone by The Park" delivering a design conscious and price conscious experience.

We believe our deep understanding of the Indian hospitality market developed from our experience and our ability to deliver strong returns place us in a strong position to expand our design-led hotel concept across India.

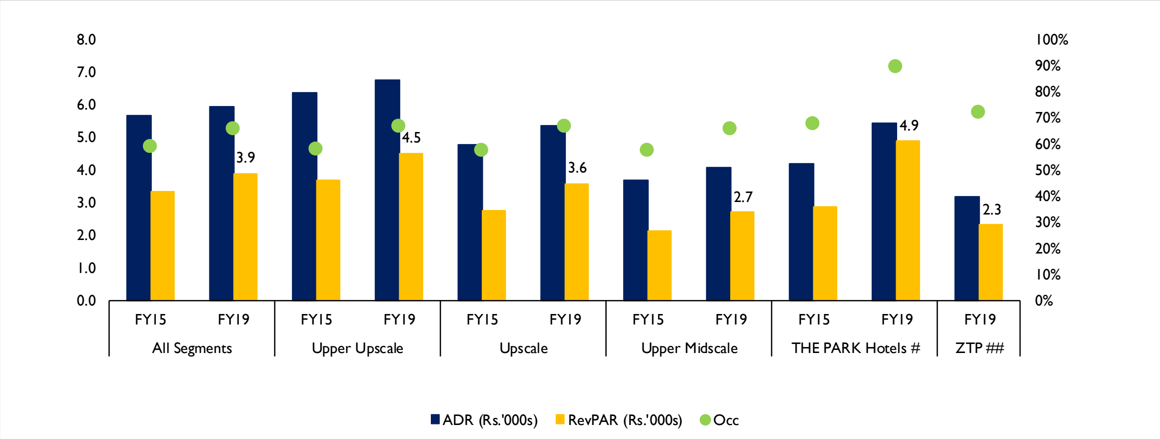
Market leaders in occupancy rate and REVPAR with a strong financial and operational track record.

We are market leaders in the business of luxury boutique hotel in India. We have a strong operating track record evidenced by the fact that we were able to maintain high occupancy, competitive average room rates and RevPAR for all the hotel properties that we manage. We have been able to achieve an average occupancy level of 86.02% for the three months period ended June 30, 2019 and 89.70% for the year ended March 31, 2019. Our high occupancy level reflects our expertise and credentials in the hospitality sector. Our sophisticated revenue and customer management system that manages our reservation and billing processes allows us to centrally manage all of our hotels so as to maximise hotel occupancy rates and reduce the manpower required for manual updates.

The table below sets forth the average occupancy level, ARR and RevPAR for each of THE PARK Kolkata, THE PARK Visakhapatnam and Zone by The Park Coimbatore, for the three months period ended June 30, 2019 and the past three Fiscals:

	Three months period ended June 30,	**Year ended March 31,**		
	2019	**2019**	**2018**	**2017**
THE PARK Kolkata				
Occupancy (%)	99.64	99.28	99.40	99.14
Average Room Revenue (ARR) (in ₹).......	6,374	6,669	6,091	5,342
RevPAR (in ₹)	6,351	6,621	6,055	5,296
THE PARK Visakhapatnam				
Occupancy (%)	92.20	96.19	97.97	97.82
Average Room Revenue (ARR) (in ₹).......	5,595	5,589	5,235	5,147
RevPAR (in ₹)	5,159	5,376	5,128	5,035
Zone by The Park Coimbatore				
Occupancy (%)	90.11	86.74	72.01	61.90
Average Room Revenue (ARR) (in ₹).......	2,786	2,779	3,059	3,266
RevPAR (in ₹)	2,511	2,411	2,203	2,022

Our strong focus on occupancy levels, ARR and RevPAR has enabled us to stay competitive and maintain a strong financial and operating track record. We maintain a strong balance sheet, profitability and healthy operating margins. Our total income for the years ended March 31, 2017, 2018 and 2019 for the three months period ended June 30, 2019 were ₹3,706.23 million, ₹3,883.86 million, ₹4,309.50 million and ₹997.21 million, respectively. RevPAR for the years ended March 31, 2017, 2018 and 2019 and for the three months period ended June 30, 2019 were ₹4,178, ₹4,671, ₹4,876 and ₹4,218 respectively. Average room rates for the years ended March 31, 2017, 2018 and 2019 and for the three months period ended June 30, 2019 was ₹4,716, ₹5,147, ₹5,435 and ₹4,904 respectively. Our gross operating profit for the years ended March 31, 2017, 2018 and 2019 and for the three months period ended June 30, 2019 were ₹938.84 million, ₹991.16 million, ₹1,142.98 million and ₹209.85 million, respectively. "THE PARK" hotels and "Zone by The Park" hotels have each recorded higher occupancy and RevPAR as compared to the average of the other hotels in the upscale segment and upper midscale segment, respectively. The chart below sets forth the average occupancy level, average daily rate and RevPAR for "THE PARK" hotels and "Zone by The Park" hotels as compared to the respective micro-markets and hotel segments for the years ended March 31, 2015 and 2019, according to the Horwath HTL Report:



Source: Horwath HTL Report

The table below sets forth some of our key operating parameters for the three months period ended June 30, 2019 and the past three Fiscals:

	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
Employee Benefits Expenses (₹ in million).	211.02	809.39	802.81	765.10
Employee Benefits Expenses % to Total Income	21.16	18.78	20.67	20.64
Total Number of employees	1,643	1,661	1,603	1,606
Staff per room ratio....................................	1.35	1.36	1.46	1.46
Average Room Revenue (in ₹)	4,904	5,435	5,147	4,716
Heat Lighting Power Expense (HLP) (₹ in million)	104.78	363.61	338.59	314.69
Heat Lighting Power Expense to the Total Revenue (%)	10.51	8.44	8.72	8.49

A leading hospitality company with a diversified portfolio of owned and managed hotels that are strategically located across India.

According to the Horwath HTL Report, we are one of India's top 10 hospitality companies in the upscale segment, as owners and operators of luxury boutique hotels and upper midscale hotels in India through our three hotel brands, "THE PARK", "THE PARK Collection" and "Zone by the Park", with seven owned hotels, two leased hotels and 13 managed hotels. In the preceding 12 months, we have grown our business geographically with the opening of three managed hotels. Our market presence continues to flourish by developing hotels which we own or lease as well as entering into management contracts with property owners to manage third party hotels under our brand name. We believe that our strength as a manager and developer is principally derived from our legacy business model where we have gained an extensive experience from our owned hotels over the last five decades. The hotel management business allows us to manage hotels under our brands without requiring us to incur any capital expenditure. This asset-light model provides us with a steady source of income, enhances our brand presence and the scalability of our hotel operations.

Our strength lies in our ability to accurately identify property location with growth potential. Site identification is based on our knowledge and experience developed over the last many years of the Indian hospitality market, understanding of our customer base, an analytical approach to site-selection that encompasses accessibility, local economy, potential for growth, demographics and socio-economic environment and adequate infrastructure. Site identification has remained one of our key strengths as we have identified strategic locations for development for our owned and managed hotels such as Pune, Kolkata, Indore, Chettinad and Serampore. Most of our hotels are located at accessible, central locations within or close to key business and commercial areas as well as tourist attractions. According to the Horwath HTL Report, each of "The PARK" hotel has strong location and location value, a factor that is particularly relevant in the context of the luxury boutique brand position.

One of the industry's highest F&B contributions which adds to stable and non-cyclical earnings.

The food and beverage business segment has been a cornerstone of our business since its establishment. It adds a non-cyclical element to the seasonal hospitality industry, thereby providing added stability and resilience to our earnings and cash flows. We have developed a portfolio of creative food and beverage outlets within our hotels. Our food and beverage offerings provide a diversified and holistic offering to our customers and have since gained popularity with the local community and international customers. Sale of food and beverage and sale of wine and liquor contributed to 37.23%, 39.15%, 41.53% and 40.79% of our total income for the years ended March 31, 2017, 2018 and 2019 and the three months period ended June 30, 2019, respectively. According to the Horwath HTL Report, "THE PARK" hotels' food and beverage revenue per available room is substantially higher than the average of all India 5-star hotels. Our restaurants and bars not only cater to guests resident in our hotels, but also attract non-resident patrons owing to the quality of the food served, service and ambience. We believe that these capabilities and our product offerings increase the resilience of our business model. The sustained achievement of our food and beverage business segment is a testament to the success of our differentiated food and beverage business strategy.

As of October 31, 2019, we operate a total of 68 restaurants, night clubs and bars. We also offer indoor and outdoor banquet and conference spaces spread across our hotel properties in India. Our restaurant offerings include, among others, Zen, Lotus, Aish, Saffron, Fire, Italia, A2, The Bridge, Street Café, Verandah, Vista, Bamboo Bay, Monsoon, Mist, Love and Bazaar, Meishi. We offer one of the widest selections of culinary experiences among local hotels. The night club and entertainment business segment contributes to our brand positioning and allows cross-selling opportunities. We have successfully nurtured unique brands like Tantra, Roxy, iBar, within their respective hotels which have received strong domestic demand from non-resident patrons.

According to the Horwath HTL Report, our hotels' higher occupancy rate allowed us to gain material market premium and achieve higher entertainment revenues, which have enabled us to significantly reduce weekend and holiday period common dips in business cities. Our deep understanding of the Indian hospitality market developed from our experience and our ability to deliver strong returns place us in a strong position to expand our operations across India. For example, we launched "Zone by The Park" in 2014 as a social catalyst brand. Since the launch of the first "Zone by The Park" hotel in 2014, which have successfully appealed to customers in Tier 2 and Tier 3 cities, we have expanded our portfolio of "Zone by The Park" hotels in nine cities. Our two food and beverage offerings, Bazaar and Z-Bar, have also established themselves as strong brand names. We are able to capitalise on the strength of our product offerings to gain access to new markets, prospective customers and business opportunities.

Dedicated and experienced management team and board of directors

We have an experienced and qualified management team and board of directors who have in-depth knowledge of hotel operations and hotel property development. The team has a strong understanding of the local hospitality and property market and has successfully developed our business through brand building initiatives and strategic alliances. We are led by Ms. Priya Paul, Chairperson of the Company, Mr. Vijay Dewan, Managing Director of the Company and Mr. Karan Paul, Chairman of the Apeejay Surrendra Group, who each has 31, 28 and 27 years of experience in the industry respectively. Our senior management team include qualified professionals with significant years of experience in the areas of finance, compliance and legal, project management, hospitality and public relations. We are guided by our core values to foster and underpin a culture of openness, teamwork, trust and accountability within our organisation. See "*Our Management*" on page 178.

Our senior management is supported by an experienced management team with demonstrated execution capabilities. Our core management team possesses the relevant mix of multi-disciplinary skills and experience, particularly in areas of product innovation, branding, and hotel design and construction, as well as hotel operations. With 2,021 on-roll employees as of October 31, 2019, we recognised that our success is driven by a performance-based culture which emphasizes on talent development, career advance and employee training. As an equal opportunity employer, we embrace diversity at the workplace by hiring talent from different backgrounds, cultures and language based on merit. We continue to invest in our people to enable them to build lasting and rewarding careers with us. Our people are integral to our success, and as such, we seek to create an environment where they can thrive and collaborate. We have been recognised as Asia's Best Employer Brand at the 12th Employer Branding Awards by CHRO Asia and World HRD Congress in 2017. We were also the recipient of the award for Engaging People and Culture presented by Times Network, 2017.

In our pursuit of business growth, we continue to maintain a high standard of corporate governance, accountability and transparency, which are integral to ensuring the sustainability of our business and performance as well as safeguarding stakeholders' interests and maximising long-term stakeholder value. We seek to deliver long-term value by upholding a high standard of corporate governance and ethical behaviour, nurturing a culture of sustainability and adopting responsible business practices.

'Flurys' is an iconic brand with a successful and profitable track record of industry leading margins.

The *'Flurys'* brand possesses a distinctive track record in the retail food and beverage industry that is widely recognised in India. *'Flurys'* is our well-established retail food and beverage brand under which we operate under 40 outlets with multiple formats such as kiosk format, café format and restaurant format.

The asset-light business model adopted by Flury's provides a diversified, resilient and scalable business model for us to leverage on. According to the CRISIL Research Report, the Indian bakery market is estimated to have reached approximately ₹700 billion in the year ended March 31, 2019 from ₹350 billion in the year ended March 31, 2013, recording a healthy CAGR of approximately 12%. Some of the factors that have contributed to the industry's growth are rising disposable income, increased penetration in rural areas, gradual premiumisation, change in lifestyle and new product launches. Accordingly, this segment presents us with various opportunities to grow our retail food and beverage business segment across different distribution channels.

The following table sets forth the number of Flury's outlets that we operate under the different store formats as at March 31, 2017, 2018 and 2018, June 30, 2019 and the date of this Draft Red Herring Prospectus:

Store Format	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of June 30, 2019	As of the date of Draft Red Herring Prospectus
Restaurant	3	3	3	3	3
Café	2	5	9	10	17
Kiosk	14	17	15	15	20
Total	**19**	**25**	**27**	**28**	**40**

According to the CRISIL Research Report, we have outperformed our identified peers based on net profit margin for the recent Fiscals. Amidst the competitive business environment, we intend to continue to tap on the domestic consumption which is emerging as an engine of growth. This reflects the strength of the '*Flurys'* brand, market leadership and differentiated value as an established retail food and beverage brand. We will continue to leverage on our strengths and offer quality products to our customers. In 2019, Flury's was featured as the "*Number One Restaurant"* in the 50 Best Restaurants in Kolkata by Conde Nast Traveller India.

STRATEGY

Our principal strategic objective is to build upon our existing brands, create a diversified group of luxury and upper mid-scale boutique hotels in strategic locations in India, leverage on the synergy between our hospitality and food and beverage business segments while achieving strong profitability and operating margins and maintaining our strong balance sheet position. Our key areas of focus are as follows:

Continued focus on the development of existing land banks and strategic allocation of capital.

In order to optimise capital efficiency, we have adopted an asset management strategy with respect to our hotels where we capitalise on the low historic cost of land and monetize existing land with low development cost per room through efficient and timely execution. According to the Horwath HTL Report, an asset-ownership based model presents advantages such as asset appreciation, larger income statement and balance sheet as gross revenue and profits are attributed to the hotel chains, the creation of better returns if the land banks are available at historic costs, and the ability to create and showcase the value and profitability of differentiated products. Accordingly, we will continue our prudent capital allocation strategy to utilise our existing land banks at the opportune time for value accretion, strong financial returns and brand enhancement. We believe that this is a cost-efficient way to increase our revenue base, improve occupancy rates and enhance profitability. For example, as part of our growth strategy, we have commenced the expansion of our existing hotels in Visakhapatnam, and the construction of a new hotel at our existing land parcel at Pune. As part of our future development plans, we intend to expand our property in Navi Mumbai and monetize our land bank at Jaipur and construct a mixed used hotel and commercial complex at EM Bypass Kolkata. Our strategy has allowed us to allocate capital at opportune times to acquire land at low cost and develop our hotel properties to take advantage of the growing demand to maximise revenue and returns.

Optimise capital efficiency through the adoption of our asset light model with an optimal portfolio of owned and managed hotels

We have developed a strong expertise of managing hotels for over 50 years. As we seek to expand our hotel portfolio as part of our asset light business model, we intend to increase our portfolio of managed properties through operation and management agreements with property owners. The asset light model enables us to earn management fees without committing a significant capital outlay to acquire or develop such properties. Currently, we have 10 managed hotels as part of the properties under our pipeline, pursuant to which we have entered into term sheets for hotels under our brand "Zone by The Park", "THE PARK" and "THE PARK Collection". We will continue to maintain an optimal portfolio of owned and managed hotels, and will seek to expand opportunistically based on industry developments. According to the Horwath HTL Report, growth in hotel room demand can reasonably be expected with the increase in the pace of GDP growth in India. Importantly, diversified supply growth across multiple markets will bring out market potential across current and newer markets, enhancing the potential for sustained demand growth. We have created an asset light strategy for the expansion of the "Zone by The Park" brand, and we will continue to adopt such strategy to scale our operations quickly and capitalise on the growth opportunities.

Improving operational efficiency to achieve superior performance.

We seek to improve our operational efficiencies by implementing holistic management plans for our hotels. These include rationalizing sourcing costs, effective workforce management and efficient energy management. We also seek to outsource functions that cannot be undertaken internally in a cost-effective manner and judiciously managing our use of electricity, fuel, water and other utilities. We develop, wherever possible, long-term relationships with our third party suppliers. This enables us to receive delivery of products in a timely manner. We are in the process of upgrading existing plants and equipment with the latest energy efficiency technology to optimize our energy consumption and reduce carbon footprint. We aim to create awareness on energy conservation within the Group by engaging the Operations and Engineering team to further innovate energy saving initiatives. We intend to update our technology where possible to achieve efficiency in reservations and other functions, so as to minimise transaction times and costs. We also plan to improve staff productivity and efficiency to reduce payroll costs per room through the use of new technology, streamlined management systems, comprehensive training and performance-linked compensation.

Strengthen, develop and expand our existing brands

As part of our strategic initiatives to distinguish ourselves from our competitors, we intend to develop and strengthen our brands to increase our customer loyalty and expand our food and beverage offerings at our portfolio of hotels. Our differentiated brands strategy allows us to target distinct customer market segments and drive growth in our various business segments.

Our Company's portfolio of hotels has a strong emphasis on contemporary design, with a flavour of the local cultural elements. We will continue to invest in renovation and refurbishment of our hotels to ensure continued delivery of high quality of service and customer experience. In order to continue to capture customers' attention and interest, we are constantly looking at refurbishing and refreshing our food and beverage outlets and offerings at specific milestones to inject a fresh new look with different concepts. Having garnered consumer and industry accolades alike, we plan to build on our success by bringing unique dining concepts to our customers through expanding our food and beverage offerings across our hotel properties and establishing these offerings as independent retail outlets beyond our hotel properties. The awards that our restaurants have received include, among others, the Best "Continental Cuisine" award presented to Aqua at THE PARK New Delhi at the Travel + Leisure India Delicious Food Awards 2019, the "Favourite Restaurant in a Hotel" award presented to Zen at THE PARK Kolkata at the Telegraph Food Guide Awards in 2019, the "Iconic Patisserie (Standalone)" award to Flury's at Food Food Awards 2019, and the "Best Bar in a hotel" award presented to Someplace Else at THE PARK Kolkata at the India Nightlife convention and Awards in 2019.

We will continue to position ourselves as a market leader with the ability to develop new brands that are synonymous with product innovation and superior service quality. We will focus on the key drivers of success by developing and enhancing our portfolio brands, leveraging the strengths of our business model to create more vibrate brands, deepen our existing distribution network, increase our product and service innovation. With our product portfolio and expanded market access, we strive to target a greater market share in our current markets.

Develop and strengthen the 'Flurys' brand in the retail food and beverage business segment through expansion plans.

As part of our expansion strategy, we intend to leverage on our expertise in the hospitality industry to develop and grow our presence in the retail food and beverage industry. We recognise the potential of the strength of the '*Flurys*' brand in India and intend to capitalise on the opportunities for growth. As part of our expansion strategy, we intend to expand our existing offering of 40 outlets and increase our footprint of Flury's within Kolkata as well as expand in the Delhi NCR region and the metro domestic and international airports.

To keep pace with the growth of e-commerce and to deepen customer engagement, we intend to expand our sales channel and distribution network by introducing our product offerings on numerous online platforms. We seek to improve our productivity, reduce costs and address our manpower and training requirements. As the brand enters into its next phase of growth, our strategy is to build on its past success and deepen our reach in the core markets which we have presence in.

DESCRIPTION OF OUR BUSINESS

Hospitality Business

As part of our hospitality business, we are focused on developing luxury boutique and upper mid-scale hotels differentiated through design and use our experience to actively manage the property to drive hotel performance. As of the date of this Draft Red Herring Prospectus, we own and operate as well as manage 22 hotels in 15 cities across India, with 1,937 rooms. We are one of India's leading hospitality companies in the upscale segment and we have pioneered the concept of luxury boutique hotel in India under "THE PARK" brand, which has since been extended to our upper-midscale brand "Zone by The Park", according to the Horwath HTL Report. We own and manage hotels for over 50 years, with our first hotel being launched under our brand "THE PARK" at the iconic Park Street in Kolkata.

Our Brands

To cater to the different customer segments, our hotel portfolio is diversified under three distinct brands that are unified under our vision of "leadership through differentiation":

- "**THE PARK**" is our flagship brand with established leadership in the business of the luxury boutique hotels. The brand is readily associated with boutique hotels that carry a strong design-led character, combined with luxury features, guest comfort and personalised service. The 'boutique' theme extends to all public areas, and to the dining and entertainment experiences which are equally fundamental to the experience sought to be provided at each hotel. "THE PARK" focuses on design, style, and service to create differentiated and unique experiences at each hotel. We operate this unique collection of luxury boutique hotels and restaurants, establishing global standards of product, quality and service excellence. All of our hotels are based in prime downtown locations. There are presently eight properties with a total of 1,161 keys located in Bangalore, Chennai, Mumbai Hyderabad, Kolkata, New Delhi, Navi Mumbai and Vishakhapatnam.

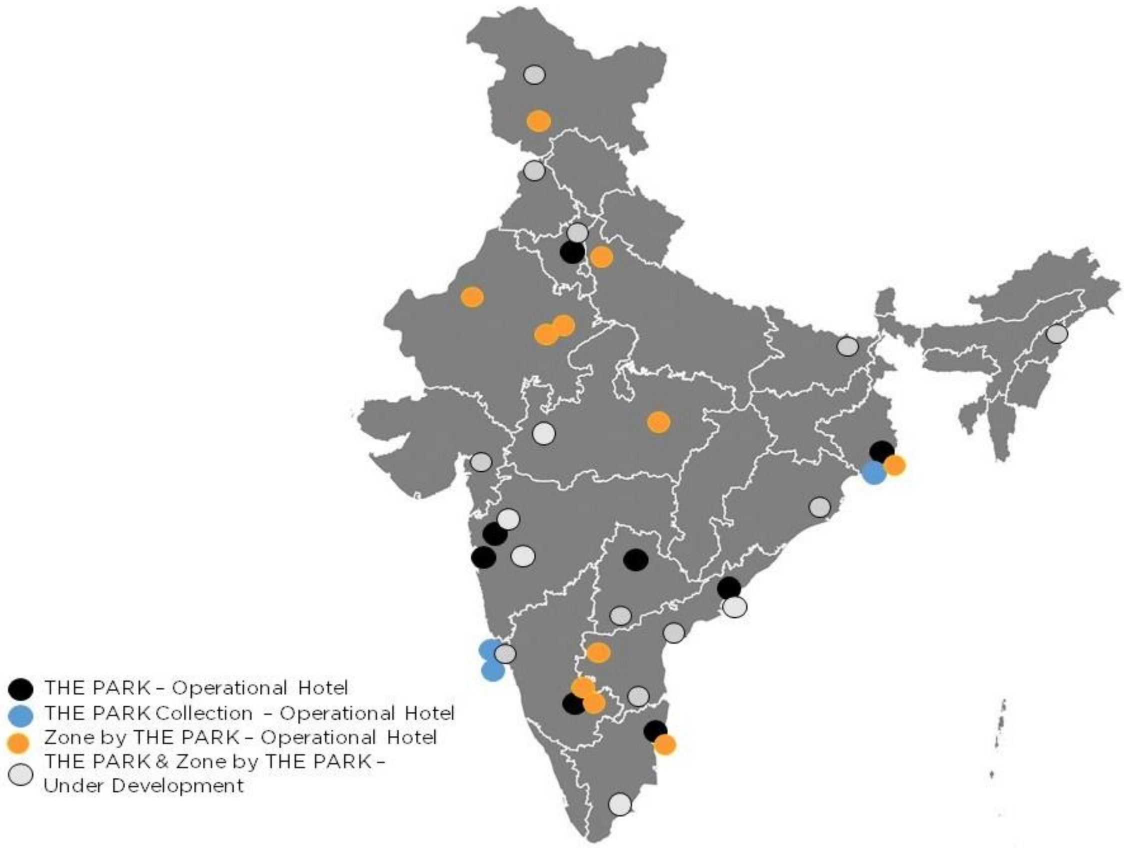
- "**THE PARK Collection**" encompasses small luxury properties located in unique travel destinations targeted at the luxury hotel segment delivering personalized guest experiences. Under "THE PARK Collection" brand, we presently operate three properties with 64 rooms located in Goa, Serampore and Chennai.

- "**Zone by The Park**" is positioned at the upper midscale level, and offers a contemporary global experience for the design-conscious and price-conscious customers. The hotels are mainly located in Tier 2 and Tier 3 cities, which are focused on guests' comfort and affordability. Under the "Zone by

The Park" brand, we currently manage and operate 11 hotels with 712 rooms with presence in Coimbatore, Jaipur, Chennai ORR, Raipur, Bangalore, Jodhpur, Jammu and Kolkata.

Our Presence

The following chart shows the locations of "THE PARK", "THE PARK Collection" and "Zone by The Park" hotels:



Our Business Model

We operate our hotels through a combination of the following: (i) direct ownership of hotel properties, (ii) long-term lease for the land and/or buildings, (iii) operation and management agreements on a contractual basis using our brand of hotels constructed by third parties. We determine, by detailed financial and operational analysis, whether we should operate a hotel based on a direct ownership of hotel properties, through long term lease or through operation and management agreements.

The table below sets forth the number of properties and rooms of our existing hotel portfolio and development pipeline based on the business models:

	Existing Hotel Portfolio		**Development Pipeline**	
Business Model	**Number of Properties**	**Number of Rooms**	**Number of Properties**	**Number of Rooms**
Direct Ownership of Hotel Properties	7	1,101	3(1)	380
Long Term Lease Arrangements	2	123	1	24
Operation and Management Agreements......................	13	713	10	1,032
Total..	**22**	**1,937**	**14**	**1,536**

Note:

(1) Expansion of two of our existing properties at THE PARK Vishakhapatnam and THE PARK Navi Mumbai.

- **Direct ownership of Hotel Properties**: Our hotels which are operated by us under the ownership model are located on freehold land and leasehold land owned by us. The land is owned directly by the Company. For such hotels, the title to the buildings, and equipment and furniture or fixtures vests in us.

- **Long-Term Lease Arrangements**: Some of our hotels are located on land and building which have been leased to us by governmental authorities or private parties. The term of such leases typically varies from 5 years to 30 years, which is typically renewable upon expiry for another term of equivalent period, subject to mutual agreement on the terms and conditions between us and the lessor. We are required to pay a specified lease rental for the duration of the lease deed.

- **Operation and Management Agreements**: Some of the hotels are operated and managed by us through operating and management contracts. In such cases, apart from operating and managing the hotels, we also provide advice regarding project and design related services at the construction stage through a management cum technical services agreement for which we receive services fee. The operation and management agreements provide us with the absolute and sole discretion in the supervision of the operation of the hotel. Under these arrangements, we are entitled to basic management fee which is a fixed percentage of the gross income of the hotel, marketing fee and an incentive fee linked to the gross operating profit of the hotel. We may also receive project management fee under some of the operating and management contracts. The term of the operating and management agreements typically ranges from 10 to 40 years, but the parties are entitled to early termination, subject to a minimum lock-in period. Upon expiry of the initial term, these agreements are also typically renewable for the period of the initial term, subject to mutual agreement of terms and conditions between us and the owner.

Our Hotels

The number of rooms, year of commencement of operation and the business model of our hotels under our three brands are set forth below:

THE PARK

Hotels	Number of Rooms	Year of Commencement	Business Model
THE PARK Bangalore	109	1995	Long Term Lease
THE PARK Kolkata	149	1967	Direct Ownership
THE PARK Visakhapatnam	66	1968	Direct Ownership
THE PARK New Delhi	220	1988	Direct Ownership
THE PARK Chennai	214	2002	Direct Ownership
THE PARK Navi Mumbai	80	2006	Direct Ownership
THE PARK Hyderabad	263	2011	Direct Ownership
THE PARK Mumbai	60	2019	Operation and Management Agreements
TOTAL	**1,161**		

THE PARK Collection

Hotels	Number of Rooms	Year of Commencement	Business Model
THE PARK Goa, Calangute	30	2011	Operation and Management Agreements
THE PARK Goa, Baga	28	2018	Operation and Management Agreements
The Denmark Tavern (Serampore)	6	2018	Long Term Lease
TOTAL	**64**		

Zone by The Park

Hotels	Number of Rooms	Year of Commencement	Business Model
Zone by The Park Coimbatore	55	2014	Operation and Management Agreements
Zone by The Park Chennai	40	2015	Operation and Management Agreements
Zone by The Park Jaipur	47	2015	Operation and Management Agreements
Zone by The Park Raipur	72	2016	Operation and Management Agreements

Hotels	Number of Rooms	Year of Commencement	Business Model
Bangalore Electronic City	70	2017	Operation and Management Agreements
Zone by The Park Jodhpur	90	2017	Operation and Management Agreements
Zone by The Park Bangalore, Infantry Road	48	2018	Operation and Management Agreements
Zone by The Park Jaipur Palace	93	2019	Operation and Management Agreements
Zone by The Park Jammu	34	2019	Operation and Management Agreements
Zone by The Park Gurgaon	46	2019	Operation and Management Agreements
Zone by The Park Kolkata	117	2019	Long Term Lease
TOTAL	**712**		

Our Key Operating Parameters

Consolidated

	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
Rooms Occupancy (%)	86.02	89.70	90.75	88.59
Average Room Revenue (ARR) (in ₹)...............................	4,904	5,435	5,147	4,716
RevPAR (in ₹)	4,218	4,876	4,671	4,178
Room Revenue				
Room Revenue (A) (₹ in millions)	467.42	1,995.47	1,876.94	1,678.87
Room Revenue to Total Income (%)	46.87	46.30	48.33	45.30
Food and Beverage and Wine and Liquor				
Sale of Food and Beverage and Sale of Wine and Liquor (B) (₹ in millions)	406.80	1,789.57	1,520.58	1,379.83
Sale of Food and Beverage and Sale of Wine and Liquor to Total Income (%)...	40.79	41.53	39.15	37.23
Sale of Wine and Liquor (₹ in millions)	188.28	872.37	691.20	630.00
Sale of Wine and Liquor to Sale of Food and Beverage and Sale of Wine and Liquor (%)...	46.28	48.75	45.46	45.66
Management Fees				
Income from Management Fees (C) (₹ in millions)...........	11.20	55.08	43.78	39.16
Income from Management Fees to Total Income (%)	1.12	1.28	1.13	1.06
Other Revenue				
Other Revenue(1) (D) (₹ in million)	111.79	469.38	442.56	608.37
Other Revenue to Total Income (%)	11.22	10.89	11.39	16.41
Total Income (A + B + C + D) (₹ in million)	997.21	4,309.50	3,883.86	3,706.23
Gross Operating Profit (GOP) (₹ in million)	209.85	1,142.98	991.16	938.84
Gross Operating Profit (GOP) (%)	21.04	26.52	25.52	25.33
EBITDA (₹ in million)	166.97	927.44	791.33	773.85
EBITDA(2) to Total Income (%)	16.74	21.52	20.37	20.88

Notes:

(1) The following table sets forth the breakdown of our Other Revenue, for the three months period ended June 30, 2019 and years ended March 31, 2019, 2018 and 2017:

Other Revenue	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
	(₹ in million)			
Other ancillary and allied service income	46.54	198.58	206.00	-
Telephone and Telex Services	-	-	-	4.00
Other Services (Banquet, spa, entry fee, Yacht hire charges etc.)	-	-	-	301.70
Shop rentals	5.68	22.70	22.70	22.70
Accrued duty exemption entitlement and other benefits	-	23.15	8.48	51.78
Income from government Grant	-	106.89	130.85	-
Liabilities no longer required written back	0.30	8.61	8.34	-
Membership and subscription fees	1.90	12.86	11.17	15.50
Interest income on advances, deposits and tax refunds	6.54	56.15	15.94	-
Interest on advances and deposits	-	-	-	8.59
Commission	0.30	1.39	2.22	3.20

Other Revenue	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
	(₹ in million)			
Rental income	1.73	5.28	7.19	7.20
Marked to market gain on financial instruments at fair value through profit and loss	-	-	-	-
Marked to market gain on derivatives	-	-	-	20.61
Net gain on foreign currency translation	1.30	-	-	-
Provision for doubtful debts no longer required written back	15.22	4.96	0.66	0.17
Liabilities no longer required written back	-	-	-	13.31
Insurance claim received	28.03	-	0.81	118.02
Interest Income on deferred employee loan	*	-	-	0.28
Profit on Sale of JV	-	-	-	0.15
Miscellaneous income	4.25	28.81	28.20	41.16
Total	**111.79**	**469.38**	**442.56**	**608.37**

**Below rounding off norms*

(2) Earnings before interest, tax, depreciation and amortisation (EBITDA) = Restated profit/(loss) before share of profit(loss) of joint venture and tax + Finance Costs + Depreciation and amortization expenses. For details, see "*Other Financial Information*" on page 294.

Selected Hotels of THE PARK

	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
THE PARK Kolkata				
Occupancy (%)	99.64	99.28	99.40	99.14
Average Room Revenue (ARR) (in ₹).............................	6,374	6,669	6,091	5,342
RevPAR (in ₹)	6,351	6,621	6,055	5,296
THE PARK Visakhapatnam				
Occupancy (%)	92.20	96.19	97.97	97.82
Average Room Revenue (ARR) (in ₹).............................	5,595	5,589	5,235	5,147
RevPAR (in ₹)	5,159	5,376	5,128	5,035
THE PARK Chennai				
Occupancy (%)	83.53	88.91	86.69	84.84
Average Room Revenue (ARR) (in ₹).............................	4,077	4,723	4,298	3,901
RevPAR (in ₹)	3,405	4,199	3,726	3,310

Our Hotel Operations

The key hotel operations departments are front office, housekeeping, food and beverage service, food production and spa services. We are focused on ensuring customer experience and comfort through quality product and service offerings. In addition, support departments such as finance, stores, purchase, sales and marketing, engineering and maintenance, IT and security also play a role in ensuring efficient day-to-day operations. This enables us to preserve brand integrity, create innovative product offerings with quicker time to market and maintain the quality of the hotels that we manage and the services we offer.

Sales and Marketing

Our sales and marketing team comprises of 93 employees as on October 31, 2019. The function of the sales and marketing team encompasses direct sales, marketing, corporate and leisure sales, revenue management, digital marketing and social media, public relations and customer relationship management. We have a structured performance-linked reward program for the team.

We have invested in a sophisticated centralized reservation, revenue and customer management system. All properties are seamlessly connected with all the global distribution channels, online travel portals and our booking website.

The strength of our sales and marketing strategy is reflected in our high performance in market share, occupancy rate and RevPAR.

Design Hotels

Five of our hotels at Kolkata, New Delhi, Chennai, Bangalore and Hyderabad benefit from membership and license agreement with Design Hotels AG, an international marketing company owned by Marriot International. Through this association, we gain international access to the travel and trade communities and provides us to media exposure in the industry. "Design Hotels" also provides additional access to its other services like pre-opening and launch activities, directory listing, participation in direct sales activities for the group via global sales offices and representation of the group at international travel trade shows, exhibitions, conventions and seminars.

Customer Loyalty Program

Our online customer program, "The Park Preferred", enables our customers to access their rewards, redemptions, booking history and personal preferences on a personalised dashboard.

"The Park Preferred" is a tier-based membership program that offers benefits and privileges to the program members who can earn Preferred Points in order to enjoy lower room rates, free hotel stay, exclusive dining offers and spa packages.

Preferred Points accumulated will lead to higher membership tier which offers additional member benefits. The membership tiers are Gold, Platinum and Black offering program members competitive discount rates.

As at the date of this Draft Red Herring Prospectus, we have 40,748 members and a customer data base of 392,777 guests.

Social Media Marketing Campaigns

We have adopted the use of social media as part of our sales and marketing initiatives, which allows us to target specific customer segments. An increase in online traffic on our social media platforms would represent a corresponding increase in demand for our food and beverage and events and entertainment business segments. We have a strong presence on Facebook with approximately 126,000 followers and Instagram with 10,200 followers as of the date of this Draft Red Herring Prospectus. We invest in promotions and advertisements to engage our followers and leverage Facebook messenger for business and building guest engagement. Relevant offers can be either demographic-specific, geo-specific or seasonal to increase chances of conversions. We have adopted the use of videos and Facebook Live as platforms for online marketing, connecting with our audiences and increasing brand visibility.

Food and Beverage

Our food and beverage outlets within our hotels provide a diversified and holistic retail offering to our customers and have since gained popularity with the local community and international customers. As of October 31, 2019, we operate a total of 68 restaurants, night clubs and bars. We offer banquet and conference spaces spread across our hotel properties in India. Our restaurant offerings include, among others, Zen, Lotus, Aish, Saffron, Fire, Italia, A2, The Bridge, Street Café, Verandah, Vista, Bamboo Bay, Monsoon, Mist, Love and Bazaar, Meishi. Our food and services capabilities are supported by chefs, some of whom were sponsored for training in Europe. The night club and entertainment business segment contributes to our brand positioning and allows cross-selling opportunities.

We have successfully nurtured unique brands like Tantra, Roxy, iBar, within their respective hotels which have received positive customer reviews. Our restaurants and bars not only cater to guests residents in our hotels, but also attract non-resident patrons.

Spa and Wellness

We have also successfully developed our own spa brands, "*Aura*" at "THE PARK" hotels and "*Vitalia*" at Zone by The Park hotels, which operate as a spa, salon and fitness centre in all of our properties. Our spas provide a range of massages based on Indian remedies and natural ingredients, including deep tissue, acupressure, Swedish and reflexology techniques for our guests and other patrons.

Our Projects under Development

We periodically evaluate new sites for greenfield development as well as prospective hotel assets for conversion or acquisition. In addition, we intend to focus on developing new hotel-led mixed-use projects in prime locations with development sizes similar to our existing projects, and which feature a combination of hotels, developments and commercial office.

Hotels under Development

Our development pipeline for hotels consists of 1,536 rooms across 14 hotels. The table below provides certain details of our hotels under development under each of our business models:

- ***Expansion of Existing Hotels***

Location	No. of Rooms
THE PARK Vishakhapatnam	100
THE PARK Navi Mumbai	80
TOTAL	**180**

- ***Owned Hotels***

Location	No. of Rooms
Pune	200

- ***Operation and Management Agreements***

Location	No. of Rooms
THE PARK Indore	100
Zone by the Park, Amritsar	119
Zone by the Park, Surat	288
Zone by the Park, Goa Puravankara	210
Zone by the Park, Muzaffarpur	50
Zone by the Park, Srinagar	63
Zone by the Park, Horsley Hills	50
Zone by the Park, Dimapur	71
Zone by the Park, Gopalpur	40
Zone by the Park, Vijaywada	141
TOTAL	**1,132**

- ***Long Term Lease***

Location	No. of Rooms
Chettinad Palace	24
TOTAL	**24**

Commercial Projects under Development

Our development pipeline includes development of a commercial project consists of leasable area of approximately 3.36 acres at Kolkata. For this project, the land is provided to us by Kolkata Municipal Corporation with an understanding to develop the project. The table below provides details of the development:

Project Name	Location and Details of land parcel	Total Built-Up Area (square feet)	Our Ownership Interest
THE PARK	EM Bypass	702,370 (excluding car parking and utilities)	Leasehold, 100% ownership

Property Development Cycle

We utilise project management teams for the development of our properties managing various aspects of our real-estate development from construction, design, approval and engineering. We have 10 personnel as of June 30, 2019 who have competencies in project execution, engineering and architecture. Our team undertakes technical feasibility assessment, wherein they test product mix as per business development and market inputs; prepares project execution plans, budget estimates and schedules and monitors project progress, as well as works to mitigate involved risks and challenges. Our team keeps track of new technologies and products to adopt cost and time effective methods of construction to drive operational efficiency.

We leverage our capability in project management for efficient development and renovation of our projects. This team works with consultants and specialist agencies to deliver target results where we believe utilizing third party project management companies will be more efficient. The property development process entails employment of standardized parameters that allow for a consistent and replicable process. Over the years we have developed a selected list of project vendors and contractors in various cities through whom we get preferential rates which helps us in attaining competitive project cost per room.

Identification Process and Land Acquisition and Development Arrangements

For our owned hotels, our site identification is based on our knowledge and experience developed over the last many years of the Indian hospitality market, understanding of our customer base, an analytical approach to site-selection that encompasses accessibility, local economy, potential for growth, demographics and socio-economic environment and adequate infrastructure.

For our managed properties we carry out detailed analysis of the site including assessment of the demand potential considering among other factors the current and likely future demand, existing and future competition, pricing potential, local talent availability and prospects for increased infrastructure and accessibility. This is followed by a feasibility study financials analysis and due diligence after which the projected is submitted for the approval of the management.

Project Planning and Tenders

While our management is generally involved in the design, project management and supervision of hotel development, it hires third party contractors for construction of the hotel. Contractors are awarded projects through a tender process. Each project is generally awarded subject to a project-specific bid. While we maintain certain standard design features such as room size, bathroom size, dimensions for corridors and lobby, we continuously seek new and improved ideas that are subsequently incorporated in future developments. We have customised and differentiated design for “THE PARK” hotels while the designs for “Zone By The Park” hotels have minimal variation and are replicable across each hotel property.

Execution, Construction and Safety Standards

The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. Completion and occupancy certificates are obtained from the appropriate authorities after the construction of properties is completed, in accordance with applicable law. For a more detailed explanation of the applicable regulations, see “*Key Regulations and Policies in India”* on page 163.

We monitor the development process, construction quality, actual and estimated project costs and construction schedules. The project management team and the contractor conduct site and activity reviews including a review of quality of work, adherence to project timelines and materials used.

We have endeavoured to develop each property with high safety standards. During construction, standards maintained by us are generally in line with those prescribed in India. A detailed safety manual has been created by us which ensures guidelines such as proper safety wear, safety signage, first aid protocol and task specific safety measures.

Retail Food and Beverage Business

We operate our retail food and beverage business segment under the brand *'Flurys'*, which possesses a distinctive track record since it was first established as a tearoom and confectionery shop in Kolkata. As of the date of this Draft Red Herring Prospectus, we operate 38 outlets in Kolkata, and one outlet each in Navi Mumbai and New Delhi.

Our Products

Flury's distinguishes itself from conventional bakers' confectioneries by offering a range of traditional and modern confectionery products. Conceptualized to be an upmarket bakery boutique that encompasses an artisan theme, it offers an extensive selection of cakes and pastries freshly baked daily using premium and healthier ingredients. We seek to preserve the original quality and authenticity of the confections by keeping to the original recipes of the products when they were first introduced. At the same time, we also seek to introduce a modern touch to marketing the brand by introducing new flavors to the confections and also repacking the products in a tasteful contemporary style to be more visually appealing to the older and younger demographics.

Flury's serves a range of cakes, pastries, puddings, cookies and Swiss chocolates. It also offers all day breakfast at its restaurant and café. In 2013, Flury's introduced a range of gluten-free items, which included gluten-free breads in flavours such as plain sandwich, oregano and focaccia, a range of 100% gluten-free celebration made-to-order cakes that come in varieties such as chocolates mousse cake, fresh fruit gateaux and chilled cheesecakes, a range of 100% no sugar cakes, made to order with flavours such as chocolate truffle, fresh fruit and tiramisu and a range of 100% vegan cakes that are eggless and sugar-free.

Our Store Format

Our business model includes three different store formats, namely kiosk format comprising store size of approximately 80 to 100 square feet, café format comprising store size of approximately 350 to 400 square feet and restaurant format comprising store size of approximately 800 to 1000 square feet.

As of the date of this Draft Red Herring Prospectus, we own 40 operational Flury's outlets. The following table sets forth the number of Flury's outlets that we operate under the different business models as at the date of this Draft Red Herring Prospectus:

Location	**Number of Outlets**	**Nature of Outlet**	**Nature of Ownership Interest**
Kolkata	3	Restaurant	Rent / Revenue sharing
Kolkata	16	Cafe	Rent / Revenue Sharing
Kolkata	19	Kiosk	Rent / Revenue Sharing
New Delhi	1	Kiosk	100% Ownership
Navi Mumbai	1	Cafe	Rent

The following table sets forth the number of Flury's outlets that we operate under the different store formats as at March 31, 2017, 2018 and 2018, June 30, 2019 and the date of this Draft Red Herring Prospectus:

Store Format	**As of March 31, 2017**	**As of March 31, 2018**	**As of March 31, 2019**	**As of June 30, 2019**	**As of the date of Draft Red Herring Prospectus**
Restaurant	3	3	3	3	3
Café	2	5	9	10	17
Kiosk	14	17	15	15	20
Total	**19**	**25**	**27**	**28**	**40**

Our Intellectual Property

We own the registered name and mark "THE PARK" under various classes provided for under the Trade Marks Act, 1999. In addition, we have applied for registration of trademarks under various classes, including classes such as 29, 30, 32, 33, 34,43, such as follows:

, , , and

Our Company has registered various trademarks under various classes, including under classes 8, 21, 24, 25, 29, 30, 32, 33, 41, 42 and 43 with the Registrar of Trademarks under the Trade Marks Act:

, , , and

See "*Risk Factors – Internal Risk Factors – We rely heavily on our existing brand. Our inability to protect brand recognition or guard the value of our intellectual property rights may adversely affect our business.*" on page 31.

The Company is continuously innovating and is in a quest to protect each of its brands.

Pursuant to the assignment deeds executed on July 14, 2007 and December 27, 2019, Apeejay Surrendra Hotels Private Limited and Apeejay Surrendra Management Services Private Limited, respectively, have assigned certain trademarks in favour of our Company. For further details, please see "*History and Certain Corporate Matters*" on page 169.

Information Technology

We utilise international software and technology infrastructure including oracle, micros and opera which ensure our business runs seamlessly. We have instituted a corporate data centre, which is equipped with virtual server environment supported by multi-layered advanced security infrastructure, policies and procedures and advanced threat protection tools to protect against cyber-attacks. Our customer relationship system, the Guest Management System, offers a comprehensive suite of marketing automation tools to engage guests and drive incremental revenue. All of our properties are seamlessly connected with a centralized reservation system equipped with the ability to manage and control distributions across all channels, bookings and rates through a common pool of inventory. It also allows revenue managers or front office managers to adjust the prices corresponding to demand for multiple distribution channels and platforms at the same time to ensure last room availability. The system allows us to centrally manage all of our hotels so as to maximise hotel occupancy rates and reduce the manpower required for manual updates. We believe we have a strong IT setup with skilled resources such as IDS, Prologic, Travel Click, Business Intelligence, Hard Facts and Toll Free Number that ensure secure working for our business and optimise our business operations.

Environmental Matters and Quality Standards

In connection with our ownership and management of hotels and development of properties, we are subject to various national, state and local laws and regulations relating to environmental laws. We have established construction and operating standards that comply with environmental sustainability requirements. We have incorporated U.S. Green Building Council's Gold Leadership in Energy and Environmental Design ("**LEED**") criteria in the design of THE PARK Hyderabad in order to achieve energy and water efficiency. Our future developments in Pune Vizag and Navi Mumbai will be built in accordance with the Indian Green Building

Council's LEED standards. Environmental and cost saving the measures implemented at certain of our hotels by us include:

- energy management systems such as use of energy-saving LED lighting, solar panels, energy-saving key tags for guest rooms, and efficient evaporative cooling pad systems, heat recovery from boilers, chiller de-super heater, flash steam recovery and heat pumps;

- auto time management (for lighting, air-conditioning and ventilation fans) through timers and motion sensors;

- water management initiatives such as plant room optimiser with variable pumps and remote monitoring, sewage treatment plants which recycle water, motion sensors for public area wash rooms, dual-flow or low volume flush tanks and rain water harvesting; and

- building management systems.

We are also subject to various requirements, including those contained in environmental permits required for our operations, governing air emissions, effluent discharges, the use, management and disposal of hazardous substances and wastes and health and safety. See "*Risk Factors – Internal Risk Factors – We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws. A failure to manage such risks or any non-compliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations, financial condition and cash flows.*" on page 38.

Insurance

Our Company, is subject to various risks characterised and inherent in the hospitality and real estate industry, such as risk of work accidents, business stoppages and disruptions, force majeure, etc. causing loss and damages to property, equipment, environment and to the business and its processes at large. As a precautionary measure, our Company maintains insurance policies with independent third parties covering various aspects such as property damage *inter alia* in respect of buildings plinth and foundation, plant and machinery break-downs, stock and deterioration of stocks, accidental damage, pressurised equipment such as boilers and vessels, loss of profit, fire insurance, and terrorism. We also maintain directors' and officers' liability insurance for our management personnel and term insurance for our employees. We believe that the insurance policies that we currently hold are adequate for our business and operations and in keeping with industry standards.

Employees

We employed 2,021 on-roll employees as of October 31, 2019 as described in the following table, by function:

	HOTEL OPERATIONS	**No. of Employees**
1.	Rooms	337
2.	Food and Beverage	857
3.	Spa and Gym	59
A.	**Operations Total**	**1,253**
	SUPPORT SERVICES	
1.	Accounts and Finance	84
2.	Secretarial and Legal	2
3.	Projects and Engineering	129
4.	Purchase and Stores	45
5.	Human Resource and Training	37
6.	Security	65
7.	Sales and Marketing and Public Relations	93
8.	Others	90
9.	IT Services	18
10.	Retail	186
11.	Administration	19
B.	**Support Services Total**	**768**
	Overall Total (A+B)	**2,021**

In addition to our on-roll employees, we also engaged 765 personnel, as of October 31, 2019 on an outsourced contractual basis at our hotels and confectionery retail business, primarily for rooms, food and beverage and operations and maintenance functions.

With diverse qualifications in areas such as hotel management, food and beverage service and production, bar and beverage management, front office, housekeeping, engineering, digital and social media, technology, finance, law, projects and planning, designing, human resources, learning and development, sales and marketing, public relations and communication and education, our workforce remains our significant competitive advantage.

We strive to improve our employees' productivity and level of competency through continuous training and collaborative teams. We promote learning and development across our workforce as we believe that a skilled and competent workforce is instrumental for the success of our business. We engage through a range of technical and management level training programs. For example, our key initiatives include the International Learning Program, where 80 of our employees have been trained to date at Cornell University, Ithaca Campus. In addition, our chefs are sponsored for culinary courses in Europe.

We have been recognised as Asia's Best Employer Brand at the 12th Employer Branding Awards by CHRO Asia and World HRD Congress in 2017. We were also the recipient of the award for Engaging People and Culture presented by Times Network in 2017.

Our Community Initiatives

We have supported charities and not-for-profit organisations for cancer, autism, shelters for women and children, disabled children and cyclone and flood relief. We also raise awareness on social issues such as the environment, gender equality, hygiene and sanitation by celebrating national and global awareness raising days. Some of the days observed are Women's Day, World Environmental Day and Week, Earth Hour, Swachh Bharat, Breast Cancer Day and Leprosy Day.

Arts, culture, design and heritage are integral to our Company and we support numerous initiatives from commissioning artwork and sculptures by emerging and established artists, both traditional and contemporary, to an ongoing project to conserve the historic Jantar Mantar of New Delhi. We support city-based arts, theatre and music festivals such as Delhi International Arts Festival, Kochi Biennale and Kolkata Christmas Park Street Festival. In addition, to encourage young talent in design, we have instituted The Park Elle Décor Student Competition, India Design Forum and India Design. Over the years, we have nurtured The Park's New Festival which travels to six cities and showcases new performances by Indian and international talent.

Skills and Education

We are dedicated to investing in education, life skills and vocational training for our employees. Under the aegis of Apeejay Surrendra Park Hotels, Apeejay Institute of Hospitality ("**AIH**") is the center of learning and development for Apeejay Surrendra Park Hotels.

Our hospitality studies are delivered by AIH. AIH offers a 3-year bachelor's degree programme in hospitality studies affiliated to the University of Mumbai. It also offers training courses authorised by the International Air Transport Association.

Competition

Our hotels operate in the luxury boutique segment differentiated by design and unique customer experiences. We have a niche of our own. Competition in India is intense both from domestic as well as international brands. While some of these hotels have certain competitive advantages due to greater brand awareness and global spread of sales and distribution network, our success is based on our ability to leverage our prime locations and differentiated services, competitive room rates and strong food and beverage and entertainment facilities.

See "*Risk Factors – Internal Risk Factors - The success of our business is dependent on our ability to anticipate and respond to customer requirements. Our business may be affected if we are unable to identify and understand contemporary and evolving customer preferences or if we are unable to deliver quality service as compared to our competitors" and* "*Risk Factors – Internal Risk Factors - We expect to face competition for operation and management agreements."* on pages 42 and 40 respectively.

Immovable Properties

Our registered and corporate office is located at 17 Park Street, Kolkata – 16 and N 80, Connaught Place New Delhi respectively. We own the registered office on freehold basis.

For details of our owned hotels, see "*Our Business – Description of Our Business – Our Hotels"* on page 152.

Awards and Accreditations

The table below provides a list of select awards and accreditation that we have won over the last three years:

Calendar Year	Awards and accreditations
2019	Apeejay Surrendra Park Hotels Limited won the '*Best Public Relations in Hotels'* award at the Times Travel Awards
2019	Someplace Else at The Park, Kolkata won the '*INCA Bar in a Hotel 2019'* and '*INCA Venue for Live Performances 2019'* awards at the India Nightlife Convention Awards
2019	The Bridge, The Park won the '*Award for Excellence 2019'* in *'Our Favourite Coffee Shop in a Hotel*' category, Roxy – Nightclub won the '*Award for Excellence 2019*', and Zen, The Park won the '*Award for Excellence 2019'* in '*Our Favourite Restaurant in a Hotel'* categories, respectively,, at The Telegraph Food Guide Awards, 2019
2019	Meishi was featured in '*Hottest New Restaurants'* in Mumbai in October, 2019 by Conde Nast Traveller, India
2019	Flury's, Kolkata won the '*Iconic Patisserie (Standalone)'* award at Food Food Awards, 2019 - North & East
2019	AISH (Hyderabad) won the *'Best Hyderabadi in Premium Dining*' award and Aqua (Hyderabad) won the '*Best Lounge'* award, respectively, at the Times Food & Nightlife Awards, 2019
2019	Flury's won the '*Best Café, Kolkata'* award at the '*whats hot OWLER'S Awards, 2019*'
2019	Flury's won the "*Award of Excellence*" award in the '*Calcutta Classics*' category at the Telegraph Food Guide Awards, 2019
2018	The Park, Kolkata won the "*Best Business Hotel - Domestic*" award at the Travel + Leisure -India's Best Awards, 2018
2018	The Park, Baga River, Goa won the '*Favourite New Leisure Hotel in India'* award at Readers' Travel Awards, 2018 awarded by Conde Nast Traveller
2018	The Park, Hyderabad was awarded the "*Customer Choice Award, 2018*" by Make My Trip
2018	The Park, Chennai won the "*Tamil Nadu - Best Employer Brand*" at the Employer Branding Awards
2018	Lotus at The Park, Chennai won the "*Best Thai in Premium Dining*" award at the Times Food and Nightlife Awards, 2018
2018	The Park, Navi Mumbai won the "*Most Preferred Boutique Business Hotel"* award at the ET Now Stars of the Industry Awards
2018	Aqua at The Park, Hyderabad won the "*Best Pub*" award at the Times Food & Nightlife Awards, 2018
2018	The Park Kolkata won the "*Best Business Hotel - Domestic, 2018*" award at the Travel + Leisure - India's Best Awards, 2018
2017	The Park, Visakhapatnam was awarded the "Tourism Award for Excellence – 2017" in the "*Best Eco – Friendly Hotel for the year 2016-17 in the Tourism & Hospitality Sector of Andhra Pradesh*" category by Andhra Pradesh Tourism Authority, Government of Andhra Pradesh
2017	The Park, New Delhi won the '*Best Designed Hotel*' award at the India Hospitality Awards, 2017
2017	The Park Hotels won the "Asia's *Best Employer Brand*" at the 12th Employer Branding Awards, 2017-18
2017	Aqua at The Park, Kolkata won the "*Best Bar in a Hotel*" award at the India Nightlife - Convention & Awards
2017	The Park, Hyderabad won the "*Telangana's Best Employer Brand*" at the 12th Employer Branding Awards, 2017-18
2017	Zen at The Park Kolkata won the "*Best Japanese*" award at Times Food Awards, 2017
2017	The Park, Calangute Goa won the "*Best Boutique Hotel of the Year*" award at the Travel & Lifestyle Leadership Awards presented by the Lonely Planet Magazine
2017	The Park, Calangute Goa won the "*Best Boutique Hotel in India*" at the 1st Hospitality India and Explore the World - North & West Travel Awards, 2017

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector specific laws and regulations in India, which are applicable to the operations of our Company and its Subsidiaries. The information available in this section has been obtained from publications available in the public domain. The description of laws and regulations set out below may not be exhaustive, and are only intended to provide general information to the prospective investors. Further they are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. For details of government approvals obtained by our Company, see "Government and Other Approvals" on page 347.The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

INDUSTRY RELATED LAWS

Hotel Classification Guidelines

With the aim to provide contemporary standards of facilities and services available in the hotels, the Ministry of Tourism, Government of India ("**Tourism Ministry"**) has issued guidelines dated January 19, 2018, for approving hotel related projects and their classification/re-classification. Pursuant to these guidelines, all hotel related projects are to be approved at implementation stage and classification for newly operational hotels, if approved by Tourism Ministry at project stage, must be sought within three months of commencing of the operations. Operating hotels may opt for such classification at any stage, however hotels seeking re-classification should apply for the same and complete the process at least six months prior to the expiry of the existing period of classification.

The guidelines prescribe constitution of Hotel and Restaurant Approval and Classification Committee ("**HRACC**"), which are required to inspect and assess the hotels based on the facilities and services offered by them and their compliance with the prescribed standards under the said guidelines. Basis the assessment by HRACC, the hotels can be classified either under 'Star Category' or 'Heritage Category', if such hotels apply for classification and are found fit for classification. Such classification shall be valid for a period of five years. 'Star Category' hotels include the following sub-categories: 5 Star Deluxe, 5 Star (with or without alcohol services), 4 Star (with or without alcohol services), 3 Star, 2 Star and 1 Star hotel.

Pursuant to the Tourism Ministry's guidelines for classification of heritage hotels, hotels running in palaces, castles, forts, havelies, hunting lodges or residences which were built prior to the year 1950 can seek classification in a heritage category. The classification into the sub-categories, Heritage, Heritage Classic or Heritage Grand, is based on the features and amenities of the hotel, including number of rooms, conformity of the general features and ambience to the overall concept of heritage and architectural distinctiveness, availability of sporting facilities, type of cuisine offered, quality of service and years of experience of the owner/staff. The Tourism Ministry has also issued separate guidelines for approval and classification/reclassification of other types of hotels.

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India ("FSSAI"), for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, and to ensure availability of safe and wholesome food for human consumption including matters incidental thereto. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal.

Further, the FSSAI has also framed the Food Safety and Standards Rules, 2011 ("FSSR") which have been operative since August 5, 2011 and have been amended in 2017. FSSR provides the procedure for registration, licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure such as appointment of 'commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis.

In order to address certain specific aspects of the FSSA, the FSSAI has framed several regulations such as the following:

- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
- Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011;
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;
- Food Safety and Standards (Food or Health Supplements, Nutraceuticals, Food for Special Dietary Purpose, Functional Food and Novel Food) Regulations, 2016;
- Food Safety and Standards (Food Recall Procedure) Regulations, 2017;
- Food Safety and Standards (Import) Regulations 2017;
- Food Safety and Standards (Approval for Non-Specific Food and Food Ingredients) Regulations, 2017;
- Food Safety and Standards (Organic Food) Regulations, 2017;
- Food Safety and Standards (Alcoholic Beverages) Regulations, 2018;
- Food Safety and Standards (Fortification of Food) Regulations 2018;
- Food Safety and Standards (Food Safety Auditing) Regulations, 2018;
- Food Safety and Standards (Recognition and Notification of Laboratories) Regulations, 2018;
- Food Safety and Standards (Advertising and Claims) Regulations, 2018;
- Food Safety and Standards (Packaging) Regulations, 2018; and
- Food Safety and Standards (Recovery and Distribution of Surplus food) Regulations, 2019.

The Legal Metrology Act, 2009 (the "Legal Metrology Act")

Legal Metrology Act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act read with the Legal Metrology (Packaged Commodities) Rules, 2011 (framed under section 52(2) (j) and (q) of the Legal Metrology Act), seek to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Further, the Legal Metrology Act lays down penalties for various offences, including but not limited to, use or sale of non-standard weight or measure, contravention of prescribed standards, counterfeiting of seals and tampering with license.

The key features of the Legal Metrology Act are:

- Appointment of government approved test centres for verification of weights and measures;
- Allowing the companies to nominate a person who will be held responsible for breach of provisions of the Act; and
- Simplified definition of packaged commodity and more stringent punishment for violation of provisions.

Police Laws and Fire Prevention Laws

We own and operate hotels and commercial projects in various states. Accordingly, legislations passed by such state governments are applicable to us in those states. These include legislations relating to *inter alia* classification of land use, fire prevention and safety measures by occupiers of buildings, lifts, signage and legislations dealing with license for sale of alcohol. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area we are operating in. Further, the state governments have also enacted laws regulating public order and police, which provide, *inter alia,* for the licensing of places of public amusement or entertainment, registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective State Legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Excise Laws

State governments are empowered to regulate, *inter alia*, manufacture, import, export, transport, possession, purchase and sale of liquor and other intoxicants. State governments also regulate excise and countervailing duties imposed on alcoholic liquors, grant of liquor licenses and retail supply of alcohol. Any person selling alcoholic liquor is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of alcoholic liquor. In certain states, there exists a complete ban on the sale, consumption, transportation etc. of liquor, while in most states the sale, consumption, and transportation etc. of liquor is permitted subject to certain conditions.

Shops and Establishments legislations in various states

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

ENVIRONMENT RELATED LAWS

Environment (Protection) Act, 1986 ("Environment Act") and the Environment (Protection) Rules, 1986 ("Environment Rules")

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe the standards of quality of air, water or soil for various areas:

- the maximum allowable limits of concentration of various environmental pollutants for different areas;
- the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents; and
- the procedures and safeguards for extracting and utilizing ground water.

Further, pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board an environmental statement for that financial year in the prescribed form.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore water purity. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state pollution control board. Even before the expiry of the consent period, the state pollution control board is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state pollution control board after serving notice to the concerned industry may, among other measures, close the premises, withdraw water supply to the premises or cause magistrates to pass injunctions to restrain such polluters.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The pollution control board is required to grant, or refuse, the consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

The Environmental Impact Assessment Notification, 2006 (the "EIA Notification")

As per the EIA Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the schedule to the EIA Notification and meeting the thresholds specified therein can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. In 2016, the Ministry of Environment, Forest and Climate Change ("**MoEF**") issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects.

Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment.

Noise Pollution (Regulation and Control) Rules, 2000 (the "Noise Pollution Rules")

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The Rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

The Forest (Conservation) Act, 1980 ("the FCA")

The FCA read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose.

PROPERTY RELATED LAWS

The Real Estate (Regulation and Development) Act, 2016 (the "RERA") and the rules framed thereunder

RERA mandates that promoters of a real estate project can only market the project if it is registered with the Real Estate Regulatory Authority ("**Authority**") established under RERA. It also requires that all projects which are ongoing and for which completion certificate has not been issued are to be registered. It mandates the functions and duties of the promoters including that the promoters must park 70% of all project receivables in a separate account. Drawdown from such account is permitted for land and construction costs only, in proportion to the percentage of project completion (as certified by an architect, an engineer and a chartered accountant). Further, the promoter shall not transfer or assign his majority rights and liabilities in respect of a real estate project to a third party without obtaining permission of two-third of the allottees and prior written approval of the Authority. It is required that a promoter obtain all insurances in respect of the real estate projects such as insurance in respect of title of land and construction. Moreover, non-registration of a real estate project as per RERA would result in penalties up to 10% of the estimated cost of the project as determined by the Authority. Contravention of any other provision of RERA or order issues by the Authority may result in penalties up to 5% of estimated cost of the project or imprisonment up to three years or both. Further, the promoter's contravention or failure to comply with any order of the Appellate Tribunal formed under RERA will result in imprisonment for a term extending to three years or with a fine further up to ten percent of the estimated cost of the project, or both.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("Land Acquisition Act, 2013") and the rules framed thereunder

The Land Acquisition Act, 2013 provides for the procedure to be undertaken when the government seeks to acquire land in any area for a public purpose including carrying out a social assessment study to determine *inter alia* whether the acquisition would serve a public purpose. It also provides for compensation to be provided in lieu of the land acquired. The compensation is determined by taking into consideration the market value of the land, damage sustained by interested persons, and consequence of the acquisition on the person.

National Building Code of India, 2016 (the "Code")

The Code a comprehensive building code is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a model code for adoption by all agencies involved in building construction works, including the public works departments, other government construction departments, local bodies or private companies in the field of construction. The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety) and building and plumbing services.

Transfer of Property Act, 1882 ("TP Act")

The TP Act deals with the various methods in which transfer of property or any interest in relation to that property, between individuals, firms and companies takes place. This mode of transfer between individuals, firms etc. is governed by the provisions of the TP Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the TP Act, can be through the mode of sale, gift and exchange while an interest in the property can be transferred by way of a lease or mortgage. The TP Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Airports Authority of India Act, 1994, as amended ("AAI Act")

The AAI Act, among others, prohibits construction of any building or erection, placement or raising any moveable or immoveable structure or fixture on or in front of any airport premises (as defined in the AAI Act), except in accordance with an approval required be obtained from the Airports Authority of India.

INTELLECTUAL PROPERTY LAWS

Certain laws relating to intellectual property rights such as copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999 are also applicable to us. The Copyright Act, 1957 (the "**Copyright Act**") governs copyright protection in India. It specifies that for the purposes of public performance of Indian or international music a public performance license must be obtained else it will invite criminal action. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Trade Marks Act, 1999 (the "**Trade Marks Act**") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

OTHER RELEVANT LEGISLATIONS

Consumer Protection Act, 2019

Consumer Protection Act, 2019 ("**COPRA, 2019**") has replaced the earlier Consumer Protection Act, 1986, in seeking to provide better protection to the interests of consumers, especially in the digital age. The key features of the COPRA, 2019 include wider definition of "consumer", enhancement of pecuniary jurisdiction, flexibility in e-filing complaints, imposition of product liability, wider definition of unfair trade practices, and provision for alternative dispute resolution. Furthermore, it proposes the establishment of a regulatory authority known as the Central Consumer Protection Authority (CCPA), with wide powers of enforcement. The CCPA will have an investigation wing, headed by a Director-General, which may conduct inquiry or investigation into consumer law violations. Further, the CCPA has been granted wide powers to take *suo moto* actions, recall products, order reimbursement of the price of goods/services, cancel licenses and file class action suits, if a consumer complaint affects more than one individual.

Public Liability Insurance Act, 1991(the "Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the Public Liability Act has been enumerated by the Government pursuant to a notification. The owner or handler is also required to take out an insurance policy insuring against liability under this legislation.

Taxation Laws

The tax related laws that are pertinent include the Income tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

Labour Related Laws

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- The Child Labour (Prohibition and Regulation) Act, 1986;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- The Employees State Insurance Act, 1948;
- The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**");
- The Maternity Benefit Act, 1961;
- The Payment of Gratuity Act, 1972;
- The Code of Wages, 2019;
- The Rights of Persons with Disabilities Act, 2016; and
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

FOREIGN INVESTMENT REGULATIONS

Under the consolidated FDI Policy (effective from August 28, 2017) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, 100% foreign investment through the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in companies engaged in the hospitality sector (hotels and resorts) and companies which are engaged in construction-development projects (including development of hotels and resorts), subject to compliance with prescribed guidelines and reporting requirements.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated at Karnataka on November 27, 1987, as 'Budget Hotels Limited', as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 27, 1987 issued by the Registrar of Companies, Bangalore at Karnataka. Subsequently, pursuant to an acquisition agreement dated May 5, 1999 entered between Apeejay Hotels Delhi and the erstwhile shareholders of our Company, the entire issued and paid up equity share capital of our Company constituting 571,940 equity shares of face value of ₹ 100 each ("**Pre-Scheme Capital**"), was acquired by Apeejay Hotels Delhi and our Company became the wholly owned subsidiary of Apeejay Hotels Delhi. Subsequently, pursuant to the scheme of amalgamation approved vide orders of the High Court of Madras dated June 13, 2003, High Court of Delhi dated August 6, 2003, and High Court of Karnataka dated September 17, 2003, Apeejay Hotels Delhi, and Gemini Hotels and Holdings Limited (a wholly owned subsidiary of Apeejay Hotels Delhi) were amalgamated with our Company, with the appointed date being April 1, 2001 and effective date being November 28, 2003. As on the effective date of scheme, (i) the entire Pre-Scheme Capital of our Company held by Apeejay Hotels Delhi stood cancelled; (ii) inter-se shareholding between Apeejay Hotels Delhi and Gemini Hotels stood cancelled; and (iii) the shares or the share certificates of Apeejay Hotel Delhi in relation to the shares held by its members stood cancelled. Our Company's equity shares were also sub-divided from face value of ₹ 100 each to face value of ₹ 10 each.

Thereafter, to closely identify the association of our Company with the 'Apeejay Surrendra Group', the name of our Company was changed from Budget Hotels Limited to 'Apeejay Surrendra Park Hotels Limited', pursuant to the resolution passed by our Shareholders at their EGM held on March 8, 2004 and the certificate of incorporation pursuant to change of name was issued by the RoC on March 29, 2004. Further, pursuant to our Shareholders' resolution dated November 30, 2016 and order dated June 22, 2017 passed by the Regional Director, South East Region, Hyderabad, our registered office was shifted from the State of Karnataka to State of West Bengal. For further details relating to changes in the registered office and name of our Company, see "*History and Certain Corporate Matters – Changes to the address of our registered office*" section below.

Changes to the address of our registered office

The details of changes to the address of our registered office since November 28, 2003, the effective date of the Scheme are given below. For further details, see "*Risk Factors – Internal Risk Factors – Some of our corporate records are not traceable*" on page 35:

Date of change	Change in address	Reason(s) for change
July 15, 2017	The registered office of our Company was changed from 14/7 Mahatma Gandhi Road, Bangalore – 560 042, Karnataka, India to 17 Park Street, Kolkata – 700 016	Administrative convenience

Main objects of our Company

The main objects of our Company as contained in our MoA of our Company are as follows:

1. "*To establish, conduct, manage and carry on business as properties of hotels, restaurants, refreshment rooms, lodging, houses, bars, cafeterias, snack bars, hotels, health clubs, recreation clubs, libraries, laundries, saloons, beauty parlours and shopping arcades.*
2. *To carry on business as bakers, caterers and dealers in all kinds of foods, drinks, provisions, and food products and to carry on business as refreshment contractors, confectionary and sweet meat merchants and liquor merchants*."

The main objects as contained in our MoA enable our Company to carry on the business presently being carried out and proposed to be carried out.

Amendments to our MoA

Set out below are the amendments to our MoA in the last ten years:

Date of Shareholders' resolution	Particulars
November 30, 2016	Amended the situation clause of our Company to reflect the change in the registered office of our Company was changed from 14/7 Mahatma Gandhi Road, Bangalore – 560 042, Karnataka, India to 17 Park Street, Kolkata – 700 016.
October 25, 2019	Each of the existing 20,000,000 equity shares of our Company of face value of ₹ 10 each in the authorised share capital of our Company were sub-divided into 200,000,000 equity shares of our Company of face value of ₹ 1 each.
October 25, 2019	The authorised share capital of our Company was increased from ₹ 200,000,000 divided into 200,000,000 equity shares of our Company of face value of ₹ 1 each to ₹ 350,000,000 divided into 350,000,000 equity shares of our Company of face value of ₹ 1 each.
December 23, 2019	Amended the objects clause of the MoA to make it consistent with the requirements of the Companies Act, 2013.

Total Number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has nine shareholders. For further details on the shareholding of our Company, see "*Capital Structure*" on page 79.

Major events and milestones of our Company

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Particulars
1987	The Park Delhi opens
1994	Opening of Some Place Else (celebrating 25 years in 2019)
1999	Purchased The Park Bangalore
	Apeejay Hotels Delhi and Gemini Hotels was merged with our Company
2000	Launched The Park Bangalore as India's First Design Hotel
	Purchased The Park Chennai
2002	Launched The Park Chennai and Aqua, India's first roof top pool/bar]
2004	Name of our Company was changes from Budget Hotels Limited to Apeejay Surrendra Park Hotels Limited
	Rebranding of the Apeejay group
2007	Private equity Investment by RECP IV Park Hotel Investors Ltd, RECP IV Park Hotel Co-Investors Ltd, REFS Park Hotel Investors Limited into our Company
2010	Launched The Park Hyderabad
2012	Branding exercise to create The Park, The Park Collection & Zone by The Park
2014	1st Zone by The Park launched at Coimbatore
2019	Acquired confectionery business from Flury's Swiss Confectionery

Awards, Accreditations and Recognitions

The table below provides a list of select awards, accreditations and recognitions we won over the last three years:

Calendar Year	Awards and accreditations
2019	Apeejay Surrendra Park Hotels Limited won the '*Best Public Relations in Hotels'* award at the Times Travel Awards
2019	Someplace Else at The Park, Kolkata won the '*INCA Bar in a Hotel 2019'* and '*INCA Venue for Live Performances 2019'* awards at the India Nightlife Convention Awards
2019	The Bridge, The Park won the '*Award for Excellence 2019'* in *'Our Favourite Coffee Shop in a Hotel*' category, Roxy – Nightclub won the '*Award for Excellence 2019*', and Zen, The Park won the '*Award for Excellence 2019'* in '*Our Favourite Restaurant in a Hotel'* categories, respectively,, at The Telegraph Food Guide Awards, 2019
2019	Meishi was featured in '*Hottest New Restaurants'* in Mumbai in October, 2019 by Conde Nast Traveller, India
2019	Flury's, Kolkata won the '*Iconic Patisserie (Standalone)'* award at Food Food Awards, 2019 - North & East
2019	AISH (Hyderabad) won the *'Best Hyderabadi in Premium Dining*' award and Aqua (Hyderabad) won the '*Best Lounge'* award, respectively, at the Times Food & Nightlife Awards, 2019

Calendar Year	Awards and accreditations
2019	Flury's won the '*Best Café, Kolkata'* award at the '*whats hot OWLER'S Awards, 2019*'
2019	Flury's won the "*Award of Excellence*" award in the '*Calcutta Classics*' category at the Telegraph Food Guide Awards, 2019
2018	The Park, Kolkata won the "*Best Business Hotel - Domestic*" award at the Travel + Leisure -India's Best Awards, 2018
2018	The Park, Baga River, Goa won the '*Favourite New Leisure Hotel in India'* award at Readers' Travel Awards, 2018 awarded by Conde Nast Traveller
2018	The Park, Hyderabad was awarded the "*Customer Choice Award, 2018*" by Make My Trip
2018	The Park, Chennai won the "*Tamil Nadu - Best Employer Brand*" at the Employer Branding Awards
2018	Lotus at The Park, Chennai won the "*Best Thai in Premium Dining*" award at the Times Food and Nightlife Awards, 2018
2018	The Park, Navi Mumbai won the "*Most Preferred Boutique Business Hotel"* award at the ET Now Stars of the Industry Awards
2018	Aqua at The Park, Hyderabad won the "*Best Pub*" award at the Times Food & Nightlife Awards, 2018
2018	The Park Kolkata won the "*Best Business Hotel - Domestic, 2018*" award at the Travel + Leisure - India's Best Awards, 2018
2017	The Park, Visakhapatnam was awarded the "Tourism Award for Excellence – 2017" in the "*Best Eco – Friendly Hotel for the year 2016-17 in the Tourism & Hospitality Sector of Andhra Pradesh*" category by Andhra Pradesh Tourism Authority, Government of Andhra Pradesh
2017	The Park, New Delhi won the '*Best Designed Hotel*' award at the India Hospitality Awards, 2017
2017	The Park Hotels won the "Asia's *Best Employer Brand*" at the 12th Employer Branding Awards, 2017-18
2017	Aqua at The Park, Kolkata won the "*Best Bar in a Hotel*" award at the India Nightlife - Convention & Awards
2017	The Park, Hyderabad won the "*Telangana's Best Employer Brand*" at the 12th Employer Branding Awards, 2017-18
2017	Zen at The Park Kolkata won the "*Best Japanese*" award at Times Food Awards, 2017
2017	The Park, Calangute Goa won the "*Best Boutique Hotel of the Year*" award at the Travel & Lifestyle Leadership Awards presented by the Lonely Planet Magazine
2017	The Park, Calangute Goa won the "*Best Boutique Hotel in India*" at the 1st Hospitality India and Explore the World - North & West Travel Awards, 2017

Details regarding material acquisition or divestment of business/ undertakings, and mergers and amalgamation in the last ten years

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business or undertaking in the last ten years immediately preceding the date of this Draft Red Herring Prospectus.

Business Transfer Agreement dated December 19, 2019, between our Company and Flury's Swiss Confectionery ("Business Transfer Agreement")

Our Company entered into the Business Transfer Agreement for the acquisition of the confectionery business of Flury's Swiss Confectionery including all the assets, liabilities, business know-how, contracts, permits, records, any incorporeal assets, any benefits or incentives granted or accrued on Flury's Swiss Confectionery by any regulatory or statutory body, as a going concern on an 'as is where is' basis with effect from October 1, 2019 ("**Transfer Date**"). The confectionery business is acquired by our Company from Flury's Swiss Confectionery on slump sale basis (as defined under Section 2(42C) of the Income Tax Act, 1961) with all rights, title, interest, benefits, free and clear from all encumbrances and in perpetuity, for the lump sum consideration of ₹ 662.7 million ("**Sale Consideration**"), payable in deferred period of over nine months in four tranches i.e. (i) 10% of the Sale Consideration was paid on the date of signing of the Business Transfer Agreement; (ii) 15% of the Sale Consideration on January 1, 2020; (iii) 25% of the Sale Consideration on April 1, 2020; and (iv) balance payment will be made by July 1, 2020.

Pursuant to the Business Transfer Agreement, Flury's Swiss Confectionery shall, within 150 business days from the Transfer Date, take all necessary steps and make all applications for transfer, assignment and novation of all licenses, approvals, insurance policies, lease deeds, required for the confectionery business to our Company.

Further, Flury's Swiss Confectionery has also agreed to provide our Company with necessary assistance or further documents, if so required, for effecting the transfer for a period of six months from the Transfer Date,

Further, Flury's Swiss Confectionery has agreed to indemnify our Company against any breach or inaccuracy of any representations and warranties, claims in respect of the confectionery business including by governmental authorities, counter parties or employees relating to the period prior to the Transfer Date, irrespective of whether the claim has been raised post the Transfer Date.

For further details, see "*Risk Factors – Internal Risk Factors – We may be exposed to increased risks from future acquisitions, joint ventures or investments*" on page 41.

Mergers or amalgamation

Except as mentioned below, our Company has not undertaken any merger, demerger or amalgamation in the last ten years:

*Scheme of amalgamation of Skylight Hotels Private Limited, Skylight Properties Private limited, Rooshna Hotel Private Limited, Rooshna Estates Private Limited, Oak Park Hotels Private Limited, Orchard Park Hotels Private Limited, Chelsea Hotels Private Limited, Lake Park Hotels Private Limited, Innsignia Hotels Private Limited, Lake Plaza Hotel Private Limited, Vizag Sea Park Hotel Private Limited, and New Bombay Park Hotel Private Limited ("**Transferor Companies**") with our Company*

Pursuant to the scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, sanctioned by the High Court of Bombay by its order dated December 4, 2009, High Court of Andhra Pradesh by its orders dated March 23, 2010, April 21, 2010, April 23, 2010, April 24, 2010, April 26, 2010, April 28, 2010, and April 29, 2010, and High Court of Karnataka by its order dated March 10, 2010 (collectively "**Amalgamation Orders**"), Transferor Companies, which were wholly owned subsidiaries of our Company, were amalgamated to our Company. The rationale for this scheme, amongst others, was to strengthen the business of our Company by pooling up the resources for common purpose and to achieve greater efficiency and synergy in operations by combining the activities of the Transferor Companies with the Transferee Company.

The aforesaid scheme came into operation from appointed date *i.e.,* April 1, 2008, on a going concern basis, and the scheme became effective on and from the effective date *i.e.,* June 4, 2010, the last of the dates on which the Amalgamation Orders were filed with the respective Registrar of Companies, by the Company and the Transferor Companies.

The scheme, inter alia, provided for the transfer of all the assets and properties, debts, liabilities, encumbrances, agreements, rights, contracts, entitlements, permits, licences, approvals, employees engaged in the business activities and operations, all intellectual property rights, legal proceedings of Transferor Companies to our Company. Since the Transferor Companies were wholly owned subsidiaries of our Company and the entire share capital of the Transferor Companies were beneficially held by our Company and no consideration was paid and no shares of our Company were issued and allotted by way of consideration for the transfer and vesting of the Transferor Companies in our Company and were dissolved without winding up.

Revaluation of assets in the last ten years

Our Company has not revalued its assets in the ten years immediately preceding the date of this Draft Red Herring Prospectus.

Shareholders' agreements and other agreements

Except as stated below, as on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements with respect to our Company.

Share subscription agreement and shareholders' agreement, each dated July 13, 2007, among our (i) Company, , (ii) Mr. Karan Paul, Apeejay Surrendra Trust (through its Trustee), Apeejay Engineering Private Limited, Apeejay Agencies Private Limited, Apeejay House Private Limited, Apeejay Private Limited, Flury's Swiss Confectionery Private Limited (collectively "SHA Shareholders"), (iii) RECP IV Park Hotel Investors Ltd, RECP IV Park Hotel Co-Investors Ltd ("Investors") and (iv) REFS Park Hotel Investors Limited for acquisition of certain equity shares of the Company (collectively share subscription agreement and

shareholders' agreement " Apeejay SHA") and waiver letter executed among the Promoters and the Investors dated December 20, 2019 ("Waiver Letter")

Pursuant to the Apeejay SHA, 2,832,353 equity shares of face value of ₹10 each were allotted to the Investors and REFS Park Hotel Investors Limited.^

In accordance with the terms of the Apeejay SHA, the Investors have certain rights and obligations, including (i) pre-emptive rights in the event our Company issues any new securities; (ii) a right to appoint one nominee director on the Board; (iii) right of affirmative written consent or approval for certain resolutions to be passed at Board and Shareholders' meetings including (a) any issue of Equity Shares, (b) approval of the business plan, (c) approval of de-merger, re-construction, consolidation, liquidation, winding-up etc. relating to the Company and its Subsidiaries, (d) declaration or payment of any dividends or declaration, (e) any amendment to the Memorandum of Association or the Articles of Association of the Company and its Subsidiaries; (iv) anti-dilution rights; (v) information rights; (v) tag along rights. Further, SHA Shareholders have the right to first refusal, in the event Investors propose to transfer the shares to third parties.

Further, the Company, Investors and SHA Shareholders have entered into a Waiver Letter dated December 20, 2019, pursuant to which the SHA Shareholders have waived all of their respective rights, obligations and restrictions under the Apeejay SHA. Pursuant to the Share Transfer Agreement (as defined below), the Investors propose to transfer Promoter Entitlement (as defined below) within 45 days of the Promoter Entitlement Date (as defined below). For details, see "- *Share Transfer Agreement dated December 26, 2019 entered between the Promoters and the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd ("Investors")"* on page 173. The Waiver Letter is valid for a period of one year, or till the completion of the transfer of the Promoter Entitlement, as per the terms of Share Transfer Agreement, whichever is earlier ("**Waiver Validity Period**"). Further, on completion of the transfer of the Promoter Entitlement, the Apeejay SHA shall automatically be terminated.

Further, pursuant to the Waiver Letter, the Investors have tag along rights, which shall only be available till the time of Waiver Validity Period and shall cease to be valid and effective thereafter. In accordance with the aforesaid tag along rights, in the event any of our Promoters propose to transfer their Equity Shares to any third party ("**Transferee**"), not being an affiliate of such Promoter, and such transfer would result in a change of control of the Company, then the Investors shall have the right to sell all of their Equity Shares to the proposed Transferee simultaneous with the transfer of Equity Shares by the Promoters, on the same terms and conditions as those offered to the Promoters.

^ *Our Company has bought back the entire equity share capital of REFS Park Hotel Investors Limited held by it in the Company, constituting 1,416,177 equity shares, pursuant to the board resolution dated December 20, 2017 and REFS Park Hotels Limited ceased to be the shareholder of the Company.*

Share Transfer Agreement dated December 26, 2019 entered between the Promoters and the RECP IV Park Hotel Investors Ltd and RECP IV Park Hotel Co-Investors Ltd ("Investors")

Our Promoters have entered into the share transfer agreement with the Investors dated December 26, 2019 ("**Share Transfer Agreement**"), pursuant to which our Promoters or their affiliates (as indicated by the Promoters) will be entitled to receive 3,999,760 Equity Shares from the Investors, representing 2.29% of the total issued, paid-up and fully diluted share capital of the Company ("**Promoter Entitlement**"), upon completion of signing of last of the following agreements:

(i) Business Transfer Agreement;
(ii) termination of the royalty agreement* between our Company and ASMSL ("**Royalty Termination Agreement**");
(iii) termination of the service agreement** between our Company and ASMSL ("**Service Termination Agreement**"); and
(iv) the brand usage and service agreement, between our Company and ASMSL ("**Brand Usage and Service Agreement**"),

for a consideration of ₹ 100 and Transaction Closing.

The Business Transfer Agreement was executed on December 19, 2019 and each of the (i) Royalty Termination Agreement, (ii) Service Termination Agreement, and (iii) Business Usage and Service Agreement was executed on December 23, 2019. Pursuant to the terms of the Share Transfer Agreement, our Promoters or their affiliates (as indicated by the Promoters) became entitled to receive Promoter Entitlement on December 23, 2019 ("**Promoter Entitlement Date**") and the Investors shall ensure that the transfer of the Promoter Entitlement to Promoters or any of their affiliates (as indicated by the Promoters), shall be completed within 45 days of the Promoter Entitlement Date.

Further, pursuant to the Share Transfer Agreement, the Investors have tag along rights, which shall only be available till such time the Offer is completed and shall cease to be valid and effective on and from the date of the listing of the Equity Shares on the recognized stock exchanges in India. In accordance with the aforesaid tag along rights, in the event any of our Promoters propose to transfer their Equity Shares to any third party ("**Transferee**"), not being an affiliate of such Promoter, and such transfer would result in a change of control of our Company, then the Investors shall have the right to sell all of their Equity Shares to the proposed Transferee simultaneous with the transfer of Equity Shares by the Promoters, on the same terms and conditions as those offered to the Promoters.

* *Royalty agreement was originally entered between the Apeejay Surrendra Corporate Service Private Limited ("**ASCSPL**") and our Company, dated July 13, 2007, pursuant to which royalty of three percent of the gross turnover of the Company plus taxes was payable to ASCSPL by the Company, in consideration of the grant of license to use certain trademarks owned and possessed by ASCSPL and for provisioning of certain corporate services by the ASCSPL to our Company, in accordance with the terms and conditions thereto("**Royalty Agreement**"). Pursuant to corporate restructuring and a court approved scheme of amalgamation and in accordance with the terms of the royalty agreement, the royalty agreement, and all the rights and liabilities under the royalty agreement of ASCSPL were assigned to ASMSL.*

** *ASPL had entered into an agreement dated July 13, 2007, with our Company, pursuant to which, (i) the license to use certain trademarks, owned and possessed by the ASPL was granted to the Company, in accordance with the terms and conditions of the service agreement, and (ii) the advisory, consulting and other services in relation to the general management and operations of the Company, was provided by the ASPL, for a total consideration of ten percentage of the gross operating profit of the Company, payable to the ASPL by the Company in quarterly tranches ("**Service Agreement**"). Pursuant to corporate restructuring and a court approved scheme of amalgamation, a portion of the business of ASPL was amalgamated into ASCSPL and ASPL was dissolved. Further, pursuant to corporate restructuring and a court approved scheme of amalgamation, the Service Agreement , and all the rights and liabilities under the Service Agreement of ASCSPL were assigned to ASMSL.*

Brand Usage and Services Agreement between our Company and ASMSL dated December 23, 2019

Our Company and ASMSL have on December 23, 2019 entered into a Brand Usage and Services Agreement, pursuant to which (i) ASMSL has granted our Company a license for the use of the trademarks - "Apeejay", "Apeejay Surrendra" and the logo " " (collectively, the "**Apeejay Trade Marks**"), owned by ASMSL, for a consideration of 0.33% of the turnover of the Company on standalone basis payable by the Company to ASMSL; (ii) ASMSL shall provide the advisory services with respect to insurance and related matters for an annual consideration of ₹ 2,500,000 payable by Company to ASMSL; and (iii) ASMSL shall provide advisory services on employee benefit schemes and related matters for a consideration of ₹ 1,500,000 payable by our Company to ASMSL, on such mutually agreed terms and conditions as set out in the Brand Usage and Service Agreement. The Brand Usage and Service Agreement was effective from October 1, 2019 and shall continue to be operative until terminated by our Company or ASMSL, by giving an advance termination notice of 90 days. Upon termination of the Brand Usage and Service Agreement, our Company will immediately discontinue any further use of the Apeejay Trade Marks and shall not use any trade mark which could be confusingly resembled, misled and mistaken with and by the Apeejay Trade Marks. For further details, see "*Risk Factors – We rely heavily on our existing brands. Our inability to protect brand recognition or guard the value of our intellectual property rights may adversely affect our business*" on page 31.

Agreements by Key Managerial Personnel, Director, Promoter or any other employee of our Company

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by any Key Managerial Personnel, Director, Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder of our Company or any other third party, with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Other material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any other material agreements including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of its business.

Guarantees given by our Promoter Selling Shareholders to third parties

Our Promoter Selling Shareholders have not given any guarantees to third parties, as on the date of this Draft Red Herring Prospectus.

Time and cost overrun in setting up projects by our Company

Our Company has faced time and cost overrun in setting up the projects, in the ordinary course of business. For details please see "*Risk Factors – Internal Risk Factors – We are exposed to risks associated with the development of our hotel properties and land banks. Delays in the constructions of new buildings or improvements on our properties may have an adverse effect on our business, results of operations, financial condition and cash flows*" on page 27.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets to the extent applicable, see "*Our Business*" on page 43.

Defaults, rescheduling or restructuring of borrowings with financial institutions/ banks by our Company

As on the date of this Draft Red Herring Prospectus, there has been no default, rescheduling or restructuring of the borrowings, availed by our Company from any financial institutions/banks.

Common Pursuits

Other than our Company and Apeejay Hotels & Restaurants Private Limited, a wholly owned subsidiary of our Company, which are involved in hospitality and retail food and beverage industry, there are no common pursuits between our Company, our Subsidiaries, and associate companies.

Business Interest between our Company, our Subsidiaries, and associate companies

Except as disclosed above and in "*Our Business*" and "*Related Party Transactions*" on pages 27 and 202, respectively, none of our Subsidiaries, and associates companies has any business interest in our Company.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has two subsidiaries. Our Company does not have any joint ventures. For details, see "*Our Subsidiaries*" on page 176.

Group Companies

As on the date of this Draft Red Herring Prospectus, our Company has no group companies as defined under the SEBI ICDR Regulations.

Significant financial or strategic partnerships

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has following two Subsidiaries:

Subsidiaries

(i) Apeejay Charter Private Limited; and
(ii) Apeejay Hotels & Restaurants Private Limited.

Set out below are details of our Subsidiaries.

1. Apeejay Charter Private Limited ("ACPL")

Corporate Information

ACPL, a private limited company was incorporated on April 1, 2005 under the Companies Act, 1956, as a subsidiary of our Company. ACPL's CIN is U74999WB2005PTC102618 and its registered office is situated at Apeejay House 15, Park Street Kolkata - 700016.

Nature of Business

ACPL is currently engaged in the business of operations of yachts for tourism purposes.

Capital Structure

The capital structure of ACPL is as follows:

Particulars	Number of equity shares of ₹ 10 each	Amount (in ₹)
Authorised share capital	500,000	5,000,000
Issued, subscribed and paid up share capital	10,000	100,000

Shareholding Pattern

The shareholding pattern of ACPL is as follows:

S. No.	Name of the equity shareholder	Number of equity shares of ₹ 10 each	Percentage of total equity holding (%)
1.	Apeejay Surrendra Park Hotels Limited	5,170	51.7
2.	Philips Carbon Black Limited	1,600	16
3.	Karan Paul	3,200	32
4.	Apeejay Surrendra Park Hotels Limited jointly with Ashoke Ghosh	10	0.1
5.	Apeejay Surrendra Park Hotels Limited jointly with Vijay Dewan	10	0.1
6.	Apeejay Surrendra Park Hotels Limited jointly with Karan Paul	10	0.1
Total		10,000	100

2. Apeejay Hotels & Restaurants Private Limited

Corporate Information

Apeejay Hotels & Restaurants Private Limited ("**AHRL**"), private limited company, was incorporated on February 5, 2018 under the Companies Act, 2013 as subsidiary of our Company. AHRL's CIN is U55209WB2018PTC224524 and its registered office is situated at 17, Park Street Kolkata - 700016.

Nature of Business

AHRL is currently engaged in the hospitality business.

Capital Structure

The capital structure of Apeejay Hotels & Restaurants Private Limited is as follows:

	Number of equity shares of ₹ 10 each	Amount (in ₹)
Authorised share capital	10,000	100,000
Issued, subscribed and paid up share capital	10,000	100,000

Shareholding Pattern

The shareholding pattern of Apeejay Hotels & Restaurants Private Limited is as follows:

S. No.	Name of the equity share holder	Number of equity shares held	Percentage of total equity holding (%)
1.	Apeejay Surrendra Park Hotels Limited	9,980	99.8
2.	Apeejay Surrendra Park Hotels Limited jointly with Priya Paul	10	0.1
3.	Apeejay Surrendra Park Hotels Limited jointly with Karan Paul	10	0.1
Total		10,000	100

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company in the Restated Financial Statements.

Business interest in our Company

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries hold Equity Shares in our Company. Furthermore, except as stated "*Summary of Offer Document*", "*Our Business"*, and "*Related Party Transactions"* on pages 21, 27, and 202, respectively, none of our Subsidiaries has any business interest in our Company.

Common Pursuits and Business interest in our Company

For details on common pursuits and business interest of our Subsidiaries in the Company, please see '*History and Certain Corporate Matters*' on page 169.

Litigation

Except as disclosed in the "*Outstanding Litigation and Material Developments*" on page 341, there is no outstanding litigation involving our Subsidiaries which have a material impact on our Company as on the date of this Draft Red Herring Prospectus.

Confirmations

None of our Subsidiaries are listed on any stock exchange in India or abroad.

Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

There are no unsecured loans taken by our Subsidiaries that can be recalled anytime. There have note been any default in repayment of deposits or payment of interest thereon by our Subsidiaries and there has not been any roll over of liability.

None of our Subsidiaries have made any capital issue during the last three years.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association and subject to the provisions of the Companies Act, the number of Directors on our Board shall not be less than three and more than 15, provided that our Company may appoint more than 15 directors after passing a special resolution in a general meeting of our shareholders.

As on date of this Draft Red Herring Prospectus, our Board comprises of eight Directors including four Independent Directors (including one woman Director), one Executive Director and three Non-Executive Non-Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

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

Name, designation, address, occupation, date of birth, period of directorship, current term and DIN	Age (years)	Other directorships
Priya Paul *Designation*: Chairperson and Non-Executive Director *Address*: 2, Aurangzeb Lane, New Delhi – 110 011 *Occupation*: Industrialist *Date of birth*: April 30, 1966 *Period of directorship*: Director since May 5, 1999 Current term: Liable to retire by rotation *DIN: 00051215*	53	1. Apeejay Shipping Limited; 2. DLF Limited; 3. Ladies Youth Association; 4. South Asia Women Foundation India; and 5. Afsan Health Resort Private Limited.
Karan Paul *Designation*: Non-Executive Director *Address*: 13A, Alipore Road, Kolkata, 700 027 *Occupation*: Industrialist *Date of birth*: November 3, 1969 *Period of directorship*: Director since February 7, 2005 Current term: Liable to retire by rotation *DIN: 00007240*	50	1. Apeejay Infra-Logistics Private Limited; 2. Apeejay Logistics Park Private Limited; 3. Apeejay Securities Private Limited; 4. Apeejay Shipping Limited; 5. Apeejay Tea Limited; 6. Artistery Properties Private Limited; 7. Bengal Shipyard Limited; 8. K.P.H. Dream Cricket Private Limited; 9. Oceanic Shipyard Limited; 10. West Bengal Tourism Development Corporation Limited; and 11. Typhoo Tea Limited.
Vijay Dewan *Designation*: Managing Director *Address*: 501, The Park, 17 Park Street, Kolkata – 700 016 *Occupation*: Service *Date of birth*: August 18, 1959	60	1. Apeejay Hotels and Restaurants Private Limited; 2. Hotel and Restaurant Association of Eastern India; and 3. The Federation of Hotel and Restaurant Associations of India.

Name, designation, address, occupation, date of birth, period of directorship, current term and DIN	Age (years)	Other directorships
Period of directorship: Director since August 19, 2002 Current term: Three years with effect from December 1, 2018 until November 30, 2021 *DIN: 00051164*		
Ashoke Ghosh *Designation*: Non-Executive Director *Address*: 234 Jodhpur Park, 3rd Floor, Kolkata – 700 068 *Occupation*: Service *Date of birth*: November 11, 1956 *Period of directorship*: Director since August 19, 2002 Current term: Liable to retire by rotation *DIN: 00051311*	63	1. Aminchand Payarelal Private Limited; 2. Apeejay Global Industrial and Logistic Park Limited; 3. Apeejay Holdings Private Limited; 4. Apeejay Infra-Logistics Private Limited; 5. Apeejay Insurance Broking Services Private Limited; 6. Apeejay Logistics Park Private Limited; 7. Apeejay Securities Private Limited; 8. Apeejay Surrendra Management Services Private Limited; 9. Apeejay Tea Limited; 10. Artistery Properties Private Limited; 11. Bengal Shipyard Limited; 12. Oceanic Shipyard Limited; 13. Triveni Development Private Limited; 14. Apeejay Tea (Panama) Inc.; 15. Apeejay Hotels (Panama) Inc.; and 16. Typhoo Tea Limited.
Debanjan Mandal *Designation*: Independent Director *Address*: 93/3A/2, Acharya Prafulla Chandra Road, Kolkata – 700 009 *Occupation*: Advocate *Date of birth*: August 26, 1973 *Period of directorship*: Director since February 21, 2017 Current term: Three years with effect from February 21, 2017 until February 20, 2020 *DIN: 00469622*	46	1. Anmol Industries Limited; 2. Apeejay Tea Limited; 3. Century Plyboards (India) Limited; 4. Edward Food Research & Analysis Centre Limited; 5. Fox and Mandal Consultancy Solutions Private Limited; 6. Indian Chamber of Commerce Calcutta; 7. Industrial and Prudential Investment Company Limited; and 8. Spencer's Retail Limited.
Suresh Kumar *Designation*: Independent Director *Address*: D56, Panchsheel Enclave, New Delhi – 110 017 *Occupation*: Self-employed *Date of birth*: February 8, 1958 *Period of directorship*: Director since March 29, 2018 Current term: Three years with effect from March 29, 2018 until March 28, 2021 *DIN: 02741371*	61	1. ROSAKUE Hospitality LLP; and KUE Management Services LLP.

Name, designation, address, occupation, date of birth, period of directorship, current term and DIN	Age (years)	Other directorships
Suneeta Reddy *Designation*: Independent Director *Address*: No. 14D, Boat Club Road, Raja Annamalaipuram, Chennai – 600 028 *Occupation*: Industrialist *Date of Birth*: April 3, 1959 *Period of directorship*: Director since December 23, 2019 *Current term*: Period of three years with effect from December 23, 2019 *DIN*: 00001873	60	1. Indraprastha Medical Corporation Limited; 2. Apollo Hospitals Enterprise Limited; 3. Apollo Sindoori Hotels Limited; 4. Apollo Munich Health Insurance Company Limited; 5. Apollo Gleneagles Hospital Limited; 6. Medics International Life Sciences Limited; 7. Garuda Energy Private Limited; 8. Helios Holdings Private Limited; 9. Hrisheekesha Solar Power Private Limited; 10. Viswambhara Nutriville Private Limited; 11. Faber Sindoori Management Services Private Limited; 12. Apollo Medicals Private Limited; 13. Chennai International Centre; 14. Apollo Hospitals (UK) Ltd; and 15. Sindya Resources Pvt Ltd, Singapore.
Ragini Chopra *Designation*: Independent Director *Address*: B-116, 1st Floor, Neeti Bagh, New Delhi – 110 049 *Occupation*: Management Service *Date of Birth*: December 25, 1952 *Period of directorship*: Director since December 23, 2019 *Current term*: Period of three years with effect from December 23, 2019 *DIN*: 07654254	67	Nil.

Relationship between our Directors and Key Managerial Personnel

Except for Karan Paul and Priya Paul, who are siblings, no other Directors are related to each other or to any of the Key Managerial Personnel.

Brief profiles of our Directors

Priya Paul is a Non-Executive Director and the Chairperson of our Company. She is also one of our Promoters. She holds a bachelor's degree in arts from the Wellesley College, Massachusetts, USA. She has completed the Owner/President Management Program at Graduate School of Business Administration, Harvard University, USA, and the Young Managers Programme at The European Institute of Business Administration (INSEAD), France. Priya Paul started her career with the Apeejay Group in July 1988 when she joined as a marketing manager and has continued to be associated with us since in different capacities. She has over 31 years of experience in the hospitality sector, and continues to hold the position as Chairperson of our Company since April 1, 2003. She has been the recipient of many awards and honours for her contribution to the hotel industry, including the Padma Shri for her services to trade and industry by the President of India in the year 2012, insignia of Chevalier de l'Ordre National du Merite (National Order of Merit) in 2013, 'Entrepreneur of the Year' Award in 2000 from Federation of Hotel and Restaurant Association of India, the Aatithya Ratna Award in 2012 by Hotel Investment Forum India and Readers' Travel Awards for 'Excellence in Design Innovation' in 2011 from Conde Nast Traveller, India. Priya Paul has also been nominated multiple times for the Economic Times Award for 'Businesswoman of the Year'. She was ranked by Forbes magazine as one of India's top 50 most powerful business women.

Karan Paul is a Non-Executive Director of our Company and one of our Promoters. He holds a bachelor's degree in arts from Brown University, USA. He has been a member and been associated with various reputed trade organizations and professional forums such as Indian National Shipowners' Association, Indian Tea Association, Tea Board of India, Federation of Indian Chambers of Commerce & Industry, and Indian Chamber of Commerce amongst others. He is also a director of the West Bengal Tourism Development Corporation Limited under the Government of West Bengal, India. He has 27 years of experience in managing and developing businesses across various sectors such as shipping, real estate and logistics, financial services, tea plantations and FMCG. He also leads the group's expansion in education. He joined the Apeejay Surrendra Group in 1992 and became Chairman in 2004. He was appointed on our Board in 2005. In 2006, Karan Paul was awarded one of Italy's highest honours, 'The Order of the Star of Italian Solidarity' by the President of Italy. In 2012, International Confederation of NGOs felicitated Karan Paul with its coveted 'Karmaveer Puraskaar' for his contribution as a 'Corporate Citizen for Holistic CSR Initiatives'. The award was given to him for his work in the field of social service and for interpreting his responsibilities as an individual and as the leader of the Apeejay Surrendra Group. In 2019 the same NGO body awarded him with their highest award 'Karmaveer Puraskaar Maharatna Award 2019' for his continued service. Further, in 2019, Chairman Karan Paul was conferred the Business Leadership Award by Calcutta Management Association in acknowledgement of his various pioneering entrepreneurial initiatives and achievements.

Vijay Dewan is the Managing Director of our Company and looks after the management and administration of our Company under the overall supervision, control and direction of our Board. He holds a bachelor's degree and a master's degree in science from the Garhwal University, Uttarakhand, and has obtained a diploma in hotel management from the Oberoi School of Hotel Management, New Delhi. He has also completed a course on 'Strategic Marketing Management' from the Harvard University, USA, and 'Advanced Management Program' and 'General Managers Program' from the Cornell University, USA. Vijay Dewan has been a member of the executive committee of the Federation of Hotel and Restaurant Associations of India. He has approximately 28 years of experience in the hospitality sector and has been associated with our Company since April 8, 1991 when he was appointed as a resident manager at the Park, Kolkata.

Ashoke Ghosh is a Non-Executive Director of our Company. He is an associate member of the Institute of Company Secretaries of India and the Institute of Chartered Accountants of India. Ashoke Ghosh has over 31 years of experience in the finance sector and has been associated with our Company since 2000, when he was first appointed as general manager (finance). Prior to joining our Company, he was working with India Foils Limited and Jenson & Nicholson (India) Limited.

Debanjan Mandal is an Independent Director of our Company and has been on our Board since February 21, 2017. He holds a bachelor's degree in law from the University of Burdwan, West Bengal and has completed his second year for a bachelor's degree in English from the University of Calcutta. He is a member of the Incorporated Law Society of Calcutta, International Bar Association, U.K. and Bar Council of West Bengal. He has more than 20 years of experience in litigation, arbitration and transactional matters in various sectors such as energy, public transport, aviation, shipping and corporate mergers and acquisition. Presently he is a partner at Fox & Mandal, Kolkata, where he started his career as an associate in 1999.

Suresh Kumar is an Independent Director of our Company and has been on our Board since March 29, 2018. He holds a bachelor's degree in science from the University of Delhi and was admitted to the Graduate Management Qualification from the Bond University, Australia. He has approximately 40 years of experience in the hospitality sector. Suresh Kumar has previously worked at the ITC Hotels Limited for over three decades and retired as their Managing Director a period spanning four decades. He was recognized as a 'Green Hotelier' at the Environment Awards, 1996 by the International Hotel & Restaurant Association.

Suneeta Reddy is an Independent Director of our Company and has been on our Board since December 23, 2019. She holds a bachelor's degree in arts, specializing in public relations from Stella Maris College in Chennai and a diploma in financial management from the Institute of Financial Management and Research, Chennai. She has also completed the Owner/President Management Program at Graduate School of Business Administration, Harvard University, USA. Suneeta Reddy has approximately 30 years of experience in corporate strategy, funding and investments in the healthcare sector. She has been associated with the Apollo Hospitals since 1989 and has continued to serve on the board of Apollo Hospitals Enterprise Limited as Managing Director. Presently she is also serving on the boards of Apollo Munich-Re Health Insurance Company Limited and several other group companies of Apollo Hospitals. She is a member with the Harvard Business School Medical Advisory Board and India Advisory Board and has featured as one of the top three most powerful women in Fortune India's list of Most Powerful Women for 2018.

Ragini Chopra is an Independent Director of our Company and has been on our Board since December 23,

2019. She has passed the final examinations of her bachelor's degree in arts from the Meerut University, Uttar Pradesh and holds a diploma in hotel management from the Oberoi School of Hotel Management, New Delhi. She has completed the Senior Management Development Programme of Oberoi Hotels from the International Negotiation Institute, USA and Oberoi Senior Executives Program by Institut de Management Hotelier International, conducted at New Delhi. She has over 45 years of experience in the hotel industry. Presently she is the Executive Vice President for Corporate Affairs at InterGlobe Enterprises Private Limited and has been previously associated with Jet Airways (India) Limited and Oberoi Group.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Terms of appointment of our Executive Director

Vijay Dewan

Vijay Dewan was re-appointed as the Managing Director of our Company, for a further period of three years with effect from December 1, 2018, pursuant to a resolution of our Board dated September 11, 2018 and our Shareholders' resolution dated September 28, 2018. The details of his remuneration in terms of an agreement dated November 16, 2018, entered into between our Company and Vijay Dewan, are stated in the table below.

Particulars	Remuneration payable
Basic salary	₹ 20.59 *per annum*, subject to annual increment to be decided by our Board
Perquisites and allowances	• Education allowance: ₹ 0.71 *per annum*; • Leave travel allowance: ₹ 2.98 *per annum*; • In addition to the basic salary and the allowances, Vijay Dewan is also entitled to certain perquisites. These perquisites, that are restricted to his annual salary and evaluated as per the applicable income tax laws or actual costs incurred, include furnished accommodation against payment of license fees, medical reimbursement, performance based discretionary incentive, leave travel concession for himself and his family, club fees, medical and personal accident insurance leave encashment, benefits of provident fund and gratuity fund, reimbursement of car and telephone expenses in accordance with the rules of the Company.

Payment or benefit to Directors of our Company

Other than as disclosed below, our Company has not paid any compensation or granted any benefit to any of our Directors (including contingent or deferred compensation) in all capacities in Fiscal 2019. Further, there is no contingent or deferred compensation payable to any of our Directors accrued for the year.

1. **Remuneration to Executive Director:**

Details of remuneration paid to our Executive Director in Fiscal 2019 are set forth below:

Sr. No.	Name of the Director	Remuneration (in ₹ million)
1.	Vijay Dewan	29.63

2. **Sitting fees to Non-Executive Directors:**

Pursuant to a resolution of our Board dated December 21, 2019, our Company has fixed the sitting fees payable to our Non-Executive Directors, including the Independent Directors, in the following manner:

(a) ₹ 10,000 per meeting for attending the meetings of our Board; and
(b) ₹ 5,000 per meeting for attending the meetings of the committees of our Board, except the Corporate Social Responsibility Committee.

Our Non-Executive Directors are also entitled to reimbursements for the period of their respective appointment, on account of expenses for their travel, hotel and other incidental expenses, incurred by them for performing their duties as Directors.

S. No.	Name of Director	Remuneration paid in Fiscal 2019 (in ₹)
1.	Karan Paul	40,000
2.	Priya Paul	45,000
3.	Ashoke Ghosh	30,000
4.	Debanjan Mandal	30,000
5.	Suresh Kumar	20,000
6.	Suneeta Reddy	Nil
7.	Ragini Chopra	Nil

Remuneration paid or payable to our Directors from our Subsidiaries or associate companies

No remuneration was paid or was payable to our Directors by any of our Subsidiaries or associate companies in Fiscal 2019.

Changes in our Board in the last three years

Name	Date of Appointment/Change/ Cessation	Particulars/ Reason
Pranab Kumar Choudhury	November 22, 2016	Cessation due to demise
Debanjan Mandal	February 21, 2017	Appointed as an Independent Director(1)
Francis Hamilton Dyckman	December 27, 2017	Resigned as Director
Ashok Narain Mathur	March 12, 2018	Resigned due to retirement
Suresh Kumar	March 29, 2018	Appointed as an Independent Director(2)
Suneeta Reddy	December 23, 2019	Appointed as an Independent Director(3)
Ragini Chopra	December 23, 2019	Appointed as an Independent Director(4)

(1)Regularized pursuant to a resolution passed by our shareholders dated September 29, 2017.
(2) Regularized pursuant to a resolution passed by our shareholders dated September 28, 2018.
(3) Regularized pursuant to a resolution passed by our shareholders dated December 23, 2019.
(4) Regularized pursuant to a resolution passed by our shareholders dated December 23, 2019.

Service contracts with Directors

Our Company has not entered into any service contracts with any of our Directors, which provide for benefits upon termination of employment.

Bonus or profit sharing plan of our Directors

Except Vijay Dewan, our Managing Director, who may be paid performance based discretionary incentives in accordance with his terms of appointment and the company policy (as amended) dated March 28, 2011, our Company does not have a bonus or profit sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require any of our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as on date of this Draft Red Herring Prospectus is set forth below:

Name of the Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
Karan Paul	100	Negligible

Other confirmations

None of our Directors is or was a director of any listed company, whose shares has been or were suspended from being traded on any of the stock exchange(s) during the five years preceding the date of this Draft Red Herring Prospectus, during their tenure as a director in such company.

Except as disclosed below, none of our Directors is or was a director of any listed company that has been or was delisted from any stock exchange.

PARTICULARS	
Name of the company	Apeejay Tea Limited
Name of the stock exchange(s) on which the company was listed	BSE
Date of delisting on stock exchanges	December 14, 2007
Whether delisting was compulsory or voluntary	Voluntary
Reasons for delisting	Cost saving, administrative convenience, giving existing shareholders an exit option
Whether the company has been relisted	No
Date of relisting on give name of stock exchange	N.A.
Term of directorship (along with relevant dates) in the above company	Karan Paul was appointed in Apeejay Tea Limited on August 6. 1992. Debanjan Mandal was appointed in Apeejay Tea Limited on November 7, 2002

None of our Directors have been identified as Wilful Defaulters.

None of our Directors have been declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Borrowing powers of our Board

Pursuant to our Articles of Association and in accordance with the provisions of the Companies Act, our Shareholders have passed a special resolution on September 29, 2014, authorizing our Board to borrow for and on behalf of our Company, from time to time, any sum or sums of money from banks, companies, body corporate, financial institutions, other lending institutions, firms or person(s) on such terms and conditions as may be considered appropriate by them, in the interest of our Company, notwithstanding that the moneys to be borrowed together with monies already borrowed by our Company, apart from temporary loans obtained from our Company's bankers in the ordinary course of business, may exceed aggregate of the paid up share capital and free reserves of our Company, provided that the maximum amount of moneys so borrowed by our Board and outstanding at any time shall not exceed the limit of ₹ 7,000 million.

Corporate governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. As on the date of this Draft Red Herring Prospectus, our Company is in compliance with the requirements of applicable regulations, specifically the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, particularly in relation to constitution of our Board and committees of our Board thereof.

Our Board functions either as a full board or through various committees of our Board which are constituted to oversee specific operational areas in compliance with applicable law.

Currently, our Board has eight Directors, including one Executive Director, three Non-Executive Non-Independent Directors and four Independent Directors, two of which is a woman Director. In compliance with the provisions of the Companies Act, 2013 at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

Committees of our Board

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations and the Companies Act 2013:

a) Audit and Risk Management Committee

b) Nomination and Remuneration Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee

Audit and Risk Management Committee

Our Audit Committee was reconstituted as Audit and Risk Management Committee by a resolution of our Board dated December 21, 2019. The Audit and Risk Management Committee currently comprises of:

1. Suresh Kumar (Chairperson);
2. Debanjan Mandal; and
3. Vijay Dewan.

Scope and terms of reference: The terms of reference of the Audit and Risk Management Committee shall include the following:

The Audit and Risk Management Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
6. To review and assess the risk management system, framework and policy of the Company from time to time and recommend for amendment or modification thereof.
7. To frame, devise, implement and monitor risk management plan and policy of the Company.
8. To review the Company's financial and risk management.
9. To review and recommend the Company's potential risk involved in any new business plans and processes.
10. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law.

The role of the Audit and Risk Management Committee shall include the following:

1. Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon, and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and fixation of audit fee and payment of any other service fee;

3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management of the Company;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions; and
    g. Qualifications/modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Reviewing the financial statements, in particular, investments made by an unlisted subsidiary;

9. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

10. Granting omnibus approval to related party transactions and laying down criteria for granting such approval in accordance with the SEBI Listing Regulations and reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company pursuant to the omnibus approvals granted;

11. Approval of any subsequent modification of transactions of the company with related parties; ***Explanation:*** *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") and/or the Accounting Standards.*

12. Scrutiny of inter-corporate loans and investments;

13. Valuation of undertakings or assets of the Company, wherever it is necessary;

14. Evaluation of internal financial controls and risk management systems;

15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

17. Discussion with internal auditors of any significant findings and follow up there on;

18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

19. Discussion with statutory auditors before the audit and risk management commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

22. Reviewing the functioning of the whistle blower mechanism;

23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

24. Oversee the vigil mechanism established by the Company and the chairman of Audit and Risk Management Committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;

25. Formulating, reviewing and making recommendations to the Board to amend the Audit and Risk Management Committee charter from time to time;

26. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower; and

27. Carry out any other function as is mentioned in the terms of reference of the Audit and Risk Management Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act or by the SEBI Listing Regulations or by any other regulatory authority.

The Audit and Risk Management Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit and Risk Management Committee), submitted by the management of the Company;
- Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:

  i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
  ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was reconstituted by a resolution of our Board dated December 21, 2019. The Nomination and Remuneration Committee currently comprises of:

1. Debanjan Mandal (Chairperson);
2. Suresh Kumar;
3. Ragini Chopra; and
4. Priya Paul.

Scope and terms of reference: The terms of reference of the Nomination and Remuneration Committee shall include the following:

1. Formulating and recommending to the Board for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act;
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Recommending to the Board, all remuneration, in whatever form, payable to senior management;
4. Formulation of criteria for evaluation of performance of independent directors and the Board, and determining whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;

5. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that
   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
6. Devising a policy on Board diversity;
7. Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance in accordance with the nomination and remuneration policy. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
8. Analysing, monitoring and reviewing various human resource and compensation matters;
9. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
10. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
13. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
14. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the following:
    i) administering and exercising superintendence over the employees' stock option plan (the "**Plan**");
    ii) determining the eligibility of employees to participate under the Plan;
    iii) granting options to eligible employees and determining the date of grant;
    iv) formulating detailed terms and conditions of the Plan;
    v) determining the number of options to be granted to an employee;
    vi) determining the exercise price under of the Plan;
    vii) deciding on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc. and
    viii) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

15. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee and

16. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated December 21, 2019. The Stakeholders' Relationship Committee currently comprises of:

1. Debanjan Mandal (Chairperson);
2. Suneeta Reddy;
3. Priya Paul;
4. Karan Paul; and

5. Vijay Dewan.

Scope and terms of reference: The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Considering and resolving grievances of investors, shareholders, debenture holders and other security holders of the Company, including complaints related to transfer/transmission of shares including non-receipt of share certificates and review of cases for refusal, non-receipt of declared dividends, non-receipt of annual reports, issue of new/duplicate certificates, general meetings, etc. and assisting with quarterly reporting of such complaints;

- Reviewing of measures taken for effective exercise of voting rights by shareholders;

- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate certificates and new certificates on split/ consolidation/ renewal, compliance with all the requirements related to shares, debentures and other securities from time to time;

- Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

- Reviewing the adherence to the service standards by our Company with respect to various services rendered by the registrar and transfer agent of our Company and recommending measures for overall improvement in the quality of investor services;

- Considering various aspects of interests of shareholders, debenture holders and other security holders; and

- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was reconstituted by a resolution of our Board dated December 21, 2019. The Corporate Social Responsibility Committee currently comprises of:

1. Priya Paul (Chairperson);
2. Suresh Kumar; and
3. Ragini Chopra.

Scope and terms of reference: The terms of reference of the Corporate Social Responsibility Committee of our Company shall be as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder and make any revisions therein as and when decided by the Board;

2. To identify corporate social responsibility policy partners and programmes;

3. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by our Company for corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by our Company;

4. To monitor the Corporate Social Responsibility policy of our Company from time to time including delegation of responsibilities to various teams and supervise, monitor and review the timely implementation of corporate social responsibility programmes;

5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of our Board of Directors or as may be directed by our Board of Directors from time to time; and

6. To exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Interest of our Directors

All our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them for attending the meetings of our Board and the committees thereof. Our Executive Director may be deemed to be interested to the extent of remuneration payable to him in addition to any perquisites and allowances payable by our Company as part of his appointment to our Board. Further, our Directors may also be interested in our Company to the extent of any reimbursement of expenses that are payable to them pursuant to their respective appointment letters. Our Directors may also be deemed to be interested to the extent of any Equity Shares (together with other distributions in respect of such Equity Shares), that they hold in our Company or Subsidiaries. For details of shareholding of our Directors, see "– *Shareholding of our Directors in our Company*" in this section on page 183. Our Directors, including Independent Directors, may also be deemed to be interested to the extent of any Equity Shares held by them or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners and trustees.

Additionally, pursuant to the Shareholders' resolution passed in an EGM held on December 23, 2019, our Non-Executive Director, Karan Paul had entered into an arrangement with our Company, dated December 28, 2019, in accordance with Section 197 and other relevant provisions of the Companies Act, for providing consultancy services and advice to the Company relating to strategic, business and financial planning ("**Consultancy Services**"). The arrangement for providing Consultancy Services is entered for a period of three years, which may further be renewed by mutual consent of our Company and Karan Paul. The annual fee payable to Karan Paul for providing such Consultancy Services is ₹ 15 million, payable with effect from November 1, 2019. Further, Karan Paul is entitled to be reimbursed for all reasonable travelling and other expenses, wholly and exclusively incurred by Karan Paul, with respect to performance of his duties in this regard.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company or in any transaction for acquisition of land, construction of building and supply of machinery.

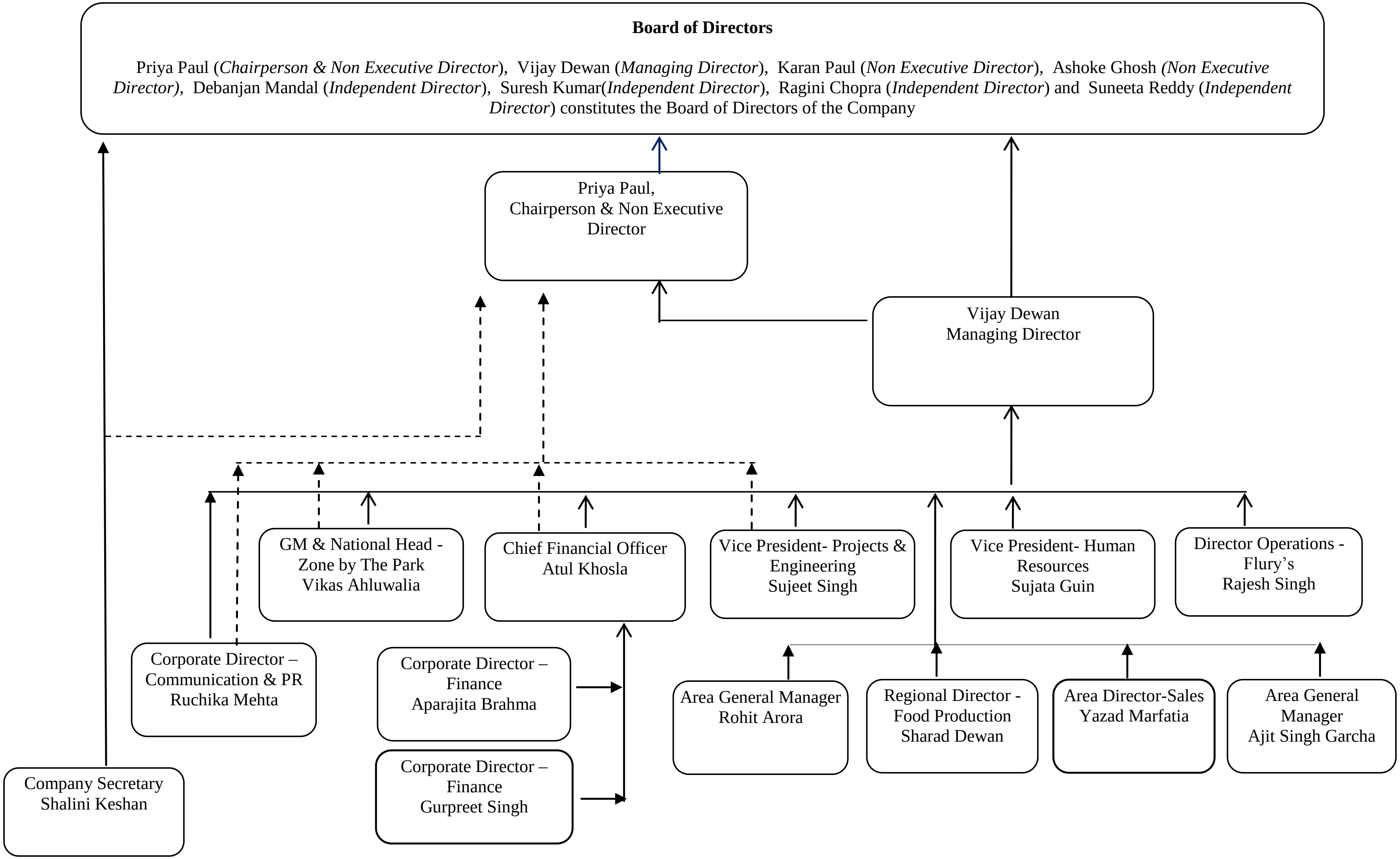
Except Karan Paul and Priya Paul, who are Promoters of our Company, none of our Directors are interested in the promotion of our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or qualify him/her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in "*Related Party Transactions*" and "*Our Promoters and Promoter Group*" on pages 202 and 196, respectively and described herein, our Directors do not have any other interest in the business of our Company.

No loans have been availed by our Directors or the Key Managerial Personnel from our Company.

Management Organization Structure



Key Managerial Personnel

In addition to Vijay Dewan, our Managing Director, the following persons are our Key Managerial Personnel. Except for Rajesh Kumar Singh, who is the Director (Operations and Development) of one of our Promoters, Flury's Swiss Confectionery, all other Key Managerial Personnel are permanent employees of our Company. For details of the brief profile of our Managing Director, see "– *Brief profiles of our Directors*" on page 180. The brief profiles of our other Key Managerial Personnel are as set out below:

Atul Khosla is the Chief Financial Officer of our Company and has been associated with our Company since August 11, 1994, when he was appointed as a manager (accounts). He was appointed as the Vice President (Finance) of our Company with effect from August 1, 2012 and pursuant to an appointment letter dated September 13, 2012, which is subject to termination in terms of the said appointment letter. He holds a bachelors' degree in commerce from University of Delhi. He is a fellow member of Institute of Chartered Accountants of India and Institute of Chartered Financial Analysis of India. He has approximately 25 years of experience in finance sector. In Fiscal 2019, he received a gross compensation of ₹ 15.09 million from our Company.

Shalini Keshan is the Company Secretary and Compliance Officer of our Company. She was appointed pursuant to an appointment letter dated January 14, 2008. She holds a bachelor's degree in commerce from the University of Calcutta. She is an associate member of the Institute of Company Secretaries of India and the Institute of Chartered Accountants of India. Shalini Keshan has approximately 13 years of experience in company secretarial practice and corporate governance. Prior to joining our Company she was working with Elque Polyesters Limited, Hajra Medical Agency Private Limited and Subhash Projects and Marketing Limited. In Fiscal 2019, she received a gross compensation of ₹ 1.69 million from our Company.

Sujata Guin is the Vice President (Human Resources) of our Company and was appointed as such pursuant to a letter from our Company dated July 31, 2017. She has been associated with our Company since May 1, 2001, when she was appointed as an assistant manager (human resources). She holds a bachelor's degree in arts from Mount Holyoke College, Massachusetts, USA, and a diploma in business management from the National University of Singapore. She has completed the Professional Development Programs on 'Strategic Human Resource Management' and 'Cost-Benefit Analysis for Human Resources' from the Cornell University, USA. She has also completed an Advanced Program in Human Resource Management from the University of California, USA. She has approximately 20 years of experience in human resource development for the hospitality sector. Prior to joining our Company, she was working with Manufacturers and Traders Trust Company. In Fiscal 2019, she received a gross compensation of ₹ 8.90 million from our Company.

Sujeet Kumar Singh is the Vice President (Projects and Engineering) of our Company. He was appointed pursuant to an appointment letter dated April 14, 2015. He holds a bachelor's degree in civil engineering from the Birla Institute of Technology, Ranchi and a master's degree in planning from the School of Planning and Architecture, New Delhi. He has approximately 17 years of experience in construction projects, project management and operations sector. Prior to joining our Company, he was working with Holzmann Videocon Engineers Limited, Bovis Lend Lease India Private Limited, Jones Lang LaSalle India, Hotel Leelaventure Limited, Archetype India Construction Consultants Limited and Australia Pacific Projects India. In Fiscal 2019, he received a gross compensation of ₹ 10.64 million from our Company.

Rajesh Kumar Singh is the Director (Operations and Development) of one of our Promoters, Flury's Swiss Confectionery. He was appointed pursuant to an appointment letter dated September 9, 2016 by Flury's Swiss Confectionery. He holds a diploma in hotel management from the National Council for Hotel Management & Catering Technology, New Delhi. He has 19 years of experience in the catering and hospitality sector. Prior to joining our Company, he was working with Oriental Cuisines Private Limited, Hansa Zone Private Limited and Pizzeria Fast Foods Restaurants (Madras) Private Limited. In Fiscal 2019, he received a gross compensation of ₹ 4.04 million from Flury's Swiss Confectionery.

Vikas Ahluwalia is the General Manager and National Head (Zone by The Park) of our Company. He was appointed pursuant to an appointment letter dated April 29, 2019. He holds a bachelor's degree in hotel management from the Bangalore University. He has approximately 20 years of experience in the hospitality sector. Prior to joining our Company, he has worked with various organizations in the hotel industry including Berggruen Hotels Private Limited, Four Points by Sheraton, Indian Hotels Company Limited, Lord Park Inn International, Majestic Hotels Limited and Sohan Park Inn International. As he joined our Company post March 31, 2019, he was not paid any compensation by our Company in Fiscal 2019.

Rohit Arora is the Area General Manager (The Park, New Delhi) of our Company and was appointed as such pursuant to a letter from our Company dated January 29, 2015. He has been associated with our Company since October 1, 1988 when he was appointed as an accounts trainee. He holds a bachelor's degree in law from the Bundelkhand University. He has also completed the Professional Development Program on 'Rooms Management: Tactics for Profitability', 'Strategic Hospitality Management' and 'Strategic Marketing for the Hotel Industry', and Management Development Program on 'Managing Strategic Growth and Leadership in Emerging Markets' from the Cornell University, USA. He started his career with our Company and has 31 years of experience in the hospitality sector. In Fiscal 2019, he received a gross compensation of ₹ 5.99 million from our Company.

Aparajita Brahma is the Corporate Director – Finance of our Company and was appointed as such pursuant to a letter from our Company dated July 31, 2017. She has been associated with our Company since April 23, 2007, when she was appointed as director (accounts and credit). Aparajita Brahma has also worked with our Company from August 16, 1996 until October 31, 2004 in the accounts department. She has passed the final year examinations of her bachelor's degree in commerce from the Calcutta University and has completed Professional Development Programs on 'Hospitality Financial Management: Operations Decision Making' and 'Strategic Financial Management for Hotels' from the Cornell University, USA. She is also a member of the Institute of Cost and Works Accountants of India. She has over 22 years of experience in hospitality sector. Prior to joining our Company, she was working with ITC Limited (as a trainee), the Empire Finance Company Limited and Bharti Airtel Limited. In Fiscal 2019, she received a gross compensation of ₹ 6.94 million from our Company.

Gurpreet Singh is the Corporate Director – Finance of our Company and was appointed as such pursuant to a letter from our Company dated December 26, 2019. He joined our Company on April 26, 2004, resigned on October 20, 2005, and re-joined our Company on November 15, 2006, when he was appointed as manager, and has been associated with our Company ever since. He holds a bachelor's degree in commerce from the University of Mumbai and has completed professional sessions on 'Advanced Hotel Real Estate' from the Cornell University, USA and Programme on Advanced Corporate Finance from the Indian Institute of Management, Ahmedabad. He is also a member of the Institute of Chartered Accountants of India. He has over 14 years of experience in the corporate finance, strategy and accounting. Prior to joining our Company in 2006, he was working with PWC Global Logistics Limited. In Fiscal 2019, he received a gross compensation of ₹ 4.06 million from our Company.

Ruchika Mehta is the Corporate Director (Communication and Public Relations) of our Company and was appointed as such pursuant to a letter from our Company dated February 5, 2014. She has been associated with our Company since January 10, 2011, when she was appointed as Director (Public Relations and Corporate Communication). She holds a diploma in business management from the Institute of Management Technology, Ghaziabad. She has also completed the INSEAD Leadership Programme for Senior Indian Executives from the INSEAD School of Business, France. She has approximately 18 years of experience in the public relations and marketing sector. Prior to joining our Company, she was working with ITC Hotel Maurya Sheraton & Towers, Hyatt Regency (Delhi) and Hotel Excelsior Limited. In Fiscal 2019, she received a gross compensation of ₹ 5.65 million from our Company.

Sharad Dewan is the Regional Director (Food Production) of our Company and was appointed as such pursuant to a letter from our Company dated March 4, 2015. He has been associated with our Company since November 6, 2006, when he was appointed as an Executive Chef at The Park, Navi Mumbai. He holds a bachelor's degree in arts from the University of Delhi and has completed the Professional Development Program on 'Strategic Marketing for Hotels and Restaurants' and 'Operations Analysis for the Hospitality Industry' from the Cornell University. He also holds a diploma in systems management from the National Institute of Information Technology and another diploma in hotel management from National Council for Hotel Management & Catering Technology, New Delhi. He has more than 13 years of experience in hospitality and catering sector. Prior to joining our Company, he was working with ITC Limited – Hotels Division. In Fiscal 2019, he received a gross compensation of ₹ 6.54 million from our Company.

Yazad Marfatia is the Area Director (Sales) of our Company and was appointed as such pursuant to an appointment letter dated October 8, 2014. He holds a bachelor's degree in commerce from the University of Bombay and an advanced diploma in hotel management from the Blue Mountains International Hotel Management School, Australia. He has approximately 20 years of experience in sales and marketing sector. Prior to joining our Company, he was working with the Regent Sydney, Sydney Hilton, Hotel Leelaventure

Limited, Parkroyal Hotels and Resorts, Oberoi Towers and the Oberoi, Holiday Inn Mumbai International Airport, Hyatt Services India Private Limited and Intercontinental Marine Drive. In Fiscal 2019, he received a gross compensation of ₹ 3.47 million from our Company.

Ajit Singh Garcha is the Area General Manager of the Park, Bangalore and the Park, Vishakhapatnam and was appointed as such pursuant to a letter from our Company dated September 9, 2018. He has been associated with our Company since November 30, 2010, when he was appointed as an Executive Manager. He has passed the final examinations of his bachelor's degree in science from the University of Kalyani, West Bengal and a diploma in hotel management from the National Council for Hotel Management and Catering Technology, New Delhi. He has also participated in the Executive Education Programme on 'Competitive Marketing Strategy' and 'Customer Relationship Management' from Indian Institute of Management, Bangalore, and completed the General Managers Program and Professional Development Programs from the Cornell University, USA. He has 11 years of experience in the hospitality sector. Prior to joining our Company, he was working with Airways Hotels at Papua New Guinea. In Fiscal 2019, he received a gross compensation of ₹ 4.22 million from our Company.

None of our Key Managerial Personnel are related to each other.

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with any major Shareholders, customers, suppliers or others. Additionally, there are, no contingent or deferred compensation payable to our Key Managerial Personnel for Fiscal 2019.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Shares in our Company. For details, see "*Capital Structure – Our shareholding pattern*" on page 86.

Bonus or profit sharing plan of the Key Managerial Personnel

Except as disclosed in "*– Bonus or profit sharing plan of our Directors*" on page 183, and performance based discretionary incentives paid in accordance with their terms of appointment and the company policy (as amended) dated March 28, 2011, none of our Key Managerial Personnel are a party to any bonus or profit sharing plan.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Interests of Key Managerial Personnel

Except as disclosed above in relation to our Managing Director, in "*– Bonus or profit sharing plan of our Directors*" and in "*– Bonus or profit sharing plan of the Key Managerial Personnel"* on pages 183 and 194, our Key Managerial Personnel do not have any interest in our Company other than to the extent of their respective remuneration, perquisites or benefits to which they are entitled to as per the terms of their respective appointments.

Changes in the Key Managerial Personnel

Except as disclosed below, there have been no changes in our Board with respect to our Managing Director or in the Key Managerial Personnel in the last three years preceding the date of filing of this Draft Red Herring Prospectus.

Name	Date of Appointment/Change/ Cessation	Particulars/ Reason*
Sujata Guin	July 31, 2017	Appointed as Vice President (Human Resources)
Aparajita Brahma	July 31, 2017	Appointed as Corporate Director (Finance)
Ajit Singh Garcha	September 9, 2018	Appointed as Area General Manager of the Park, Bangalore and the Park,

Name	Date of Appointment/Change/ Cessation	Particulars/ Reason*
		Vishakhapatnam
Vikas Ahluwalia	April 29, 2019	Appointed as General Manager and National Head (Zone by The Park)

**Designated as a Key Managerial Personnel under the Companies Act and SEBI ICDR Regulations, pursuant to a resolution of our Board dated December 21, 2019.*

Service contracts with Key Managerial Personnel

Our Company has not entered into any service contracts with any Key Managerial Personnel.

Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Managerial Personnel, is entitled to any benefit upon termination of employment. For details of appointment agreement of our Managing Director, see, "– *Terms of appointment of our Executive Director*" on page 182.

Payment or benefit to Key Managerial Personnel of our Company

Except as disclosed under "– *Interest of our Directors*" and "– *Interests of Key Managerial Personnel*" on pages 189 and 194, no non-salary related amount or benefit has been paid or given within two years from the date of this Draft Red Herring Prospectus, or is intended to be paid or given, to any of our Company's employees, including our Directors and Key Managerial Personnel.

Employees' stock option scheme

As on the date of this Draft Red Herring Prospectus, our Company has not formulated any employees' stock option scheme.

OUR PROMOTERS AND PROMOTER GROUP

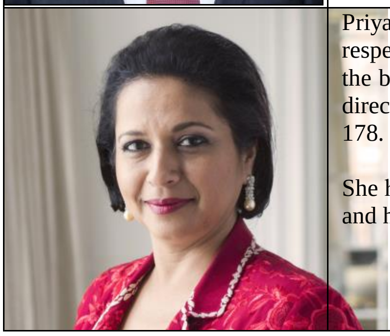
As on the date of this Draft Red Herring Prospectus, the following are the Promoters of our Company:

1. Karan Paul;
2. Priya Paul;
3. Apeejay Surrendra Trust; and
4. Flury's Swiss Confectionery;

As on date of this Draft Red Herring Prospectus, our Promoters collectively hold an aggregate of 82,502,500 Equity Shares, aggregating to 47.24 % of the pre-Offer issued subscribed and paid-up Equity Share capital of our Company. For details, see "*Capital Structure – History of build-up, Contribution and Lock-in of Promoters' Shareholding"* on page 81.

Brief profile of our Promoters

<u>Individual Promoters</u>:

	Karan Paul, aged 50 years, is a Non-Executive Director on the Board our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business, positions and posts held in the past, business and financial activities, other directorships, other ventures and special achievements see "*Our Management*" on page 178. He holds a driver's license bearing no. WB-0119920628283. His PAN is AENPP1798P, and his Aadhaar Card number is [redacted]
	Priya Paul, aged 53 years, is the Chairperson of the Board of our Company. For details in respect of her date of birth, personal address, educational qualifications, experience in the business, positions and posts held in the past, business and financial activities, other directorships, other ventures and special achievements see "*Our Management*" on page 178. She holds a driver's license bearing no. DL-0220030019871. Her PAN is AENPP1797C, and her Aadhaar Card number is [redacted]

Our Company confirms that the permanent account number, bank account number and passport number of the individual Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

<u>Corporate Promoters</u>:

I. Apeejay Surrendra Trust

Trust Information and History

Apeejay Surrendra Trust was formed as an irrevocable trust pursuant to a private trust deed dated December 22, 2004 (the "**Trust Deed**") in accordance with the provisions of the Indian Trust Act, 1882. The principal place of business of Apeejay Surrendra Trust is located at Apeejay House, 15 Park Street, Kolkata – 700016.

Karan Paul is the settlor of the Apeejay Surrendra Trust. As at the date of this Draft Red Herring Prospectus, Apeejay Surrendra Trust (through its Trustee) holds 30,002,400 Equity Shares, representing 17.18% of the issued, subscribed and paid-up equity share capital of our Company.

Board of Trustees

The trustees of Apeejay Surrendra Trust, as on the date of this Draft Red Herring Prospectus are Karan Paul, Shirin Paul and Ashoke Ghosh ("**Trustee**").

Beneficiaries of Apeejay Surrendra Trust

The beneficiaries of Apeejay Surrendra Trust include Karan Paul, Priya Paul and Priti Paul ("**First Beneficiaries**") and their blood relations and descendants, except for such descendants and legal heirs as have been specifically excluded in the Trust Deed. First Beneficiaries' family is entitled to equal share of beneficial interest in the trust property.

Objects and Function

The objective of Apeejay Surrendra Trust is to hold the trust property and administer the same for the benefit of each of the members of the First Beneficiaries and includes realization of dividend, rent, interest and other income of the trust property and distribute the same among the beneficiaries and hold the same for the benefit of such members who become eligible to be beneficiaries. Any decision taken pertaining to activities of Apeejay Surrendra Trust or any decision pertaining to exercise of powers by Trustee is based on the written directions of the managing beneficiary, which is appointed by all the beneficiaries.

Our Company confirms that the permanent account number and bank account number of Apeejay Surrendra Trust will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

II. Flury's Swiss Confectionery

Corporate Information and History

Flury's Swiss Confectionery was incorporated as a private company limited by shares under the Companies Act, 1956 on May 15, 1946 and its registered office is located at 18, Park Street, Kolkata – 700071. The CIN of Flury's Swiss Confectionery is U15137WB1946PTC013793.

The promoters of Flury's Swiss Confectionery are Apeejay House Private Limited and Apeejay Surrendra Trust.

As at the date of this Draft Red Herring Prospectus, Flury's Swiss Confectionery holds 52,500,000 Equity Shares, representing 30.06% of the issued, subscribed and paid-up equity share capital of our Company.

Nature of Business

Flury's Swiss Confectionery was engaged in the confectionery business, which pursuant to the Business Transfer Agreement executed on December 19, 2019, was transferred to the Company with effect from October 1, 2019. For details, see "*History and Certain Corporate Matters*" on page 169. Currently Flury's hold certain immovable properties.

Board of Directors:

The composition of the board of directors of Flury's Swiss Confectionery as at the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name	Designation
1.	Ashok Kumar Jain	Director
2.	Atul Khosla	Director

Change in Control:

There has been no change in the control of Flury's Swiss Confectionery in the preceding three years.

Shareholding Pattern:

The following table sets forth details of the shareholding pattern of Flury's Swiss Confectionery:

Name of shareholder	Number of equity shares of face value	% of issued capital

	₹1,000 each	
Apeejay Surrendra Trust (through its Trustee)	88	80.00
Apeejay House Private Limited	22	20.00

As at the date of this Draft Red Herring Prospectus, the equity shares of Flury's Swiss Confectionery are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number and company registration number of Flury's Swiss Confectionery, and the address of the Registrar of Companies where Flury's Swiss Confectionery is registered, will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in control of our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in this section, "*History and Certain Corporate Matters – Other material agreements*" and "*Our Management – Other Directorships*" on pages 174 and 178, respectively, our Promoters are not involved in any other ventures.

Except as disclosed in "*History and Other Corporate Matters*" on page 169, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary practices and procedures as permitted by law to address any conflict of interest as and when they arise.

Other understandings and confirmations

There is no litigation or legal action pending or taken by SEBI or the Stock Exchanges during the last five years against our Promoters. For details of litigation involving our Promoters, see "*Outstanding Litigation and Material Developments – Litigation involving our Promoters*" on page 343.

For other confirmations relating to prohibition by the SEBI, the RBI or Governmental Authorities, see "*Other Regulatory and Statutory Disclosures*" on page 352.

Nature and extent of interest of our Promoters

Interest of our Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding in our Company and the shareholding of their relatives and entities in which they are associated as promoters and shareholders; any other distributions in respect of the Equity Shares held by them; Further, our individual promoters are interested in our Company to the extent of being Directors on the board of our Company and the remuneration payable by our Company to them, including sitting fees. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. Our Promoters may be considered to be interested in relation to the (i) Brand Usage and Service Agreement, entered into with ASMSL, and (ii) Business Transfer Agreement entered with the Flury's Swiss Confectionery. For details on the Business Transfer Agreement and Brand Usage and Service Agreement, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 172. Further, our individual Promoters may be considered to be interested, to the extent of being beneficiaries of the Apeejay Surrendra Trust, which holds Equity Shares in our Company. For details, see "*Capital Structure – History of Build-up, Contribution and Lock-in of Promoter's Shareholding*", "*Related Party Transactions*" and "*Our Management – Interest of our Directors*" on pages 84, 202 and 189, respectively.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

None of our Promoters have any interest in any property acquired by our Company in the preceding five years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

Payment or benefit to our Promoters

Except for the interests as disclosed in '***Interest of our Promoters'***, there has been no amount or benefit paid or given within the two years preceding the date of this Draft Red Herring Prospectus or intended to be paid or given to our Promoters or any member of our Promoter Group.

Material guarantees given by our Promoters with respect to Equity Shares of our Company

None of our Promoters have given any material guarantees to any third party, with respect to the Equity Shares of our Company.

Disassociation by our Promoters in the last three years

None of our Promoters have disassociated themselves from any of the companies or firms during the last three years preceding the date of this Draft Red Herring Prospectus.

Our Promoter Group

Set forth below is a list of the members forming part of our Promoter Group other than our Promoters of our Company, as on the date of this Draft Red Herring Prospectus:

A. Natural persons who are part of our Promoter Group

1. Anandhi Iswaran
2. Dipankar Dasgupta
3. Indrani Dasgupta Paul
4. Kabir Anand Paul
5. Pratip Dasgupta
6. Priti Paul
7. Sethu Vaidyanathan
8. Shirin Paul
9. Sudip Dasgupta
10. Surya Vir Vaidhyanathan
11. Uma Kismat Paul

B. Entities forming part of our Promoter Group

1. Aminchand Payarelal Private Limited
2. Apeejay Agencies Private Limited
3. Apeejay Development Private Limited
4. Apeejay Education Association Private Limited
5. Apeejay Engineering Private Limited
6. Apeejay Eximp Private Limited
7. Apeejay Global Industrial and Logistic Park Limited
8. Apeejay Holdings Private Limited
9. Apeejay House Private Limited
10. Apeejay Private Limited
11. Apeejay Securities Private Limited
12. Apeejay Shipping Limited
13. Apeejay Support Solutions Private Limited
14. Artistery House Private Limited
15. Artistery Properties Private Limited

16. Asian Signal Industry Private Limited
17. Bengal Ice Creams Private Limited
18. Great Eastern Stores Private Limited
19. Kathua Steel Works Private Limited
20. Martidale Pharmaceuticals Private Limited
21. Oriental-At Auto and Engg. Private Limited
22. Saryu Developers Private Limited
23. Triveni Development Private Limited
24. Yamuna Warehousing Company Private Limited
25. Surrendra Paul HUF

For details on shareholding of the Promoter Group in the Company, please see "*Capital Structure*" on page 79.

Confirmations

None of our Promoters and members of our Promoter Group have been declared as Wilful Defaulters. Further, there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our individual Promoters have been declared as a fugitive economic offender, as defined under SEBI ICDR Regulations.

None of our Promoters and members of our Promoter Group have been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

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

OUR GROUP COMPANIES

Pursuant to the resolution of our Board dated December 21, 2019, our Board has noted that, in accordance with the SEBI ICDR Regulations, 'Group Companies' of our Company shall mean and include (i) those companies, except our Subsidiaries and our Corporate Promoters, with which the Company has entered into related party transactions as disclosed in the Restated Financial Statements included in the Offer Documents, and (ii) such other companies as considered material by the Board. For the purposes of (ii) above, the Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material if, (i) the Company or its Promoters hold 20% or more of the equity share capital of such company; and (ii) the Company has entered into one or more transactions with such company during the last completed fiscal, which individually or cumulatively in value exceeds 5% of the total revenue of the Company for that fiscal as derived from the Restated Financial Statements.

Based on the above, our Board has noted that as on the date of this Draft Red Herring Prospectus, there are no Group Companies of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, for the three month period ended June 30, 2019 and for year ended March 31, 2019, March 31, 2018 and March 31, 2017, see "*Restated Financial Statements – Annexure XXXVIII – Restated Ind AS Consolidated Statement of related party disclosures*" on page 266.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and applicable law, including the Companies Act. The Board of Directors of our Company adopted the dividend distribution policy in its meeting held on December 21, 2019 ("**Dividend Distribution Policy**"). In accordance with the dividend policy of our Company and the Companies Act, the Board shall determine the dividend for a particular period based on available financial resources, business requirements and taking into account optimal shareholder return, and other parameters set out in the Dividend Distribution Policy. The Board may in extraordinary circumstances, deviate from the parameters listed in the Dividend Distribution Policy.

The dividend pay-out would be subject to profitability in the standalone financial statements, and shall be determined by the Board after taking into account a number of factors, including but not limited to (i) internal factors such as operating cash flow of the Company, profit after tax during the year, EPS, working capital and capital expenditure requirements, business expansion and growth, debt levels and cost of borrowings, likelihood of crystallization of contingent liabilities, additional investment required in Subsidiaries or technology and physical infrastructure; and (ii) external factors such as industry outlook, dividend pay-out ratio of competitors, global conditions and capital markets. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and the Board may retain earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run after taking into account the factors set out in the Dividend Distribution Policy. .

No dividends have been declared on the Equity Shares by our Company during the last three Fiscals. Further, our Company has not declared any dividend between the last audited period and the date of filing of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid in the future. For details please see " *Risk Factors – Internal Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial conditions, working capital requirements, capital expenditures, and restrictive covenants of our financing arrangements*" on page 54.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Independent Auditors' Examination Report on the restated consolidated financial information of Apeejay Surrendra Park Hotels Limited (collectively, the "Restated Consolidated Summary Information")

The Board of Directors
Apeejay Surrendra Park Hotels Limited
17 Park Street
Kolkata - 700 016
India.

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Apeejay Surrendra Park Hotels Limited (the "Company") , its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), and its joint ventures, comprising the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2019, March 31, 2019, 2018 and 2017, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Change in Equity, the Restated Consolidated Cash Flow Statement for the three month period ended June 30, 2019 and for the years ended March 31, 2019, 2018 and 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on December 27, 2019 , for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a) Section 26 of Part 1 of Chapter III of The Companies Act, 2013 (the "Act");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

    c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of Restated Consolidated Financial Information, for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE" together with "BSE" collectively referred to as

the “Stock Exchanges”) and Registrar of Companies, West Bengal, in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Annexure V to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group and its joint ventures includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its joint ventures comply with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 10, 2019 in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concept of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) the requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   (a) Audited interim consolidated Ind AS financial statements of the Group and its joint venture as at and for the three month period ended June 30, 2019 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on December 27, 2019.

(b) Audited Consolidated Ind AS financial statements of the Group and joint ventures as at and for the years ended March 31, 2019 and 2018 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their respective meetings held on September 30, 2019 and September 26, 2018.

(c) Audited Consolidated Ind AS financial statements of the Group and joint ventures as at and for the year ended March 31, 2017 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 21, 2017.

5. For the purpose of our examination, we have relied on:

(a) Auditors' Report issued by us dated December 27, 2019, September 30, 2019 and September 26, 2018, on the consolidated financial statements of the Group and its joint ventures as at and for the three month period ended June 30, 2019 and as at and for the years ended March 31, 2019 and 2018, respectively, as referred in Paragraph 4 (a) and 4 (b) above; and

(b) Auditor's report issued by the previous auditors dated September 21, 2017 on the standalone financial statements of the Company and the consolidated financial statements of the Group and its joint ventures as at and for the financial year ended March 31, 2017 referred in Paragraph 4 (c) above.

The audit for the financial year ended March 31, 2017 was conducted by the Company's previous auditors, Price Waterhouse & Co. Bangalore LLP (the "Previous Auditors"), and accordingly reliance has been placed on the independent practitioners' examination report dated December 27, 2019 on the restated consolidated statement of assets and liabilities as at March 31, 2017 and the restated consolidated statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements for the year ended March 31, 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "2017 Restated Consolidated Financial Information") examined by them for the said year. Our examination report included for the said year is based solely on the examination report submitted by the Previous Auditors. They have also confirmed that the 2017 Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies and should be read with the basis of preparation of the 2017 Restated Consolidated Financial Information which states that there are no material errors and that adjustments have been made for regrouping/reclassifications retrospectively in the financial year ended March 31, 2017, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three-month period ended June 30, 2019;

(b) does not contain any qualifications requiring adjustments.

(c) read with basis of basis of preparation have been prepared in accordance with the Act and ICDR Regulations.

The examination report submitted by the Previous Auditors also contained the following 'Other Matter':

(a) We have not examined the restated financial information of one subsidiary, whose financial information reflect total assets of Rs. 15.80 million and net assets of Rs. 2.10 million as at March 31, 2017, respectively, total revenue of Rs. 9.30 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 0.80 million and net cash flows amounting to Rs. (0.30) million, for the year ended March 31, 2017, respectively, as considered in the Restated Consolidated Financial Information. The Restated Consolidated Financial Information also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. (9.40) million for the year ended March 31, 2017 as considered in the Restated Consolidated Financial Information, in respect of two joint ventures whose restated financial information have not been examined by us. The restated financial information in respect of one subsidiary and two joint ventures have not been examined by us and have been furnished to us by the Management and our opinion on the Restated Consolidated Financial Information insofar as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures and our report insofar as it relates to the aforesaid subsidiary and joint ventures, is based solely on such unexamined financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

6. As indicated in our audit reports referred to in paragraph 5(a) above:

(a) the comparative financial statements and other information for the period ended June 30, 2018 included in the interim consolidated Ind AS financial statements for the period ended June 30, 2019 of the Group were approved by the Board of Directors of the Holding Company for the purpose of compliance with the requirements of Ind AS but have not been subjected to audit or review.

(b) we did not audit the financial statements of two subsidiaries and a joint venture whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its joint ventures included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors (the "Other Auditors") and whose reports have been furnished to us by the Company's management. Our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of these components, was based solely on the reports of the Other Auditors:

(Rs in Millions)

Particulars	**As at and for the three-month period ended June 30, 2019**	**As at/for the year ended March 31, 2019**	**As at/for the year ended March 31, 2018***
Total Assets	165.99	75.90	20.90
Total Net Assets	0.87	1.60	3.60
Total Revenue	28.92	30.60	10.50
Net Cash inflows/(outflows)	17.27	1.90	(0.80)
Share of profit/ (loss) in joint venture	NA	2.80	0.80

* Represents amount in respect of one of the subsidiary

(c) These Other Auditors of the subsidiaries as mentioned above, have examined the restated financial information of respective subsidiaries included in these Restated Consolidated Financial Information and have confirmed that ~~the~~ those restated financial information:

(i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2019 and 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three-month period ended June 30, 2019;

(ii) does not contain any qualifications requiring adjustments; and

(iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

(d) Our audit report dated September 26, 2018, on the financial statements as at and for the year ended March 31, 2018, also indicated that those financial statements included unaudited financial statements and other unaudited financial information in respect of one of the subsidiaries, whose financial statements and other information reflected total assets of Rs 0.60 million and net assets of Rs 0.10 million as at March 31, 2018, and total revenues of Rs Nil and net cash (outflows)/inflow of Rs Nil for the year ended on that date. Those unaudited financial statements and other unaudited financial information had been prepared and furnished to us by the management since the subsidiary was incorporated on February 5, 2018 and was required to prepare its first financial statements for the period February 5, 2018 to March 31, 2019. Our opinion, in so far as it related to that subsidiary was solely based on such unaudited financial statements and unaudited financial information prepared by the management. In our opinion and according to the information and explanations given to us by the management, those unaudited financial statements and unaudited financial information were not material to the Group.

(e) The comparative financial information of the Group for the year ended March 31, 2018 prepared in accordance with Ind AS included in those consolidated Ind AS financial statements had been audited by the Previous Auditors. The report of the

Previous Auditors on the comparative financial information expressed an unmodified opinion.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

7. Based on the examination report dated December 27, 2019 provided to us by the Previous Auditors, the audit reports on the consolidated financial statements issued by the Previous Auditors included the following other matters:

(a) We did not audit the financial statements of one subsidiary whose financial statement reflect total assets of Rs 15.80 millions and net assets of Rs 2.10 millions as at March 31, 2017, total revenues of Rs 9.30 millions, total comprehensive income (comprising of profit and other comprehensive income)of Rs 0.80 million and net cash flows amounting to Rs (0.30) million for the year ended on that date, as considered in the Audited Consolidated Financial Statements. The Audited Consolidated Financial Statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs (9.40) millions for the year ended March 31, 2017 as considered in the Audited Consolidated Financial Statements, in respect of two joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Audited Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and joint ventures is based solely on the reports of the other auditors.

(b) The comparative financial information of the Group for the year ended March 31, 2016 are based on the previously issued statutory financial statements for the year ended March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by them, on which they have expressed an unmodified opinion vide our report dated November 30,2016. The adjustments to the said financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by them.

The transition date opening balance sheet as at April 1, 2015 included in these Audited Consolidated Financial Statements has been prepared by the Management only for the purpose of presenting comparative information together with reconciliation of equity as per previous GAAP to equity as at April 1, 2015 in accordance with Ind AS. This financial information is as furnished by Management and are not based on the previously issued statutory financial statements for the year ended March 31,2015 prepared in accordance with the previous GAAP, as there were no requirements to prepare consolidated financial statements of the Company for the year ended March 31, 2015.

The opinion of the previous auditors on the consolidated Ind AS financial statements is not modified in respect of these matters.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors and Other Auditors for the respective periods/years, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2019, 2018 and 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three-month period ended June 30, 2019;

b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor’s Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, included in audit reports of the Standalone financial statements of the Company for the year ended March 31, 2019 and March 31, 2018 which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VI to the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the interim consolidated Ind AS financial statements and audited consolidated financial statements mentioned in paragraph 5 above.

10. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock Exchanges and Registrar of Companies, West Bengal, in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

Yours faithfully,

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

per Bhaswar Sarkar
Partner
Membership No.: 055596
UDIN:

Kolkata
December 27, 2019

(All amounts in INR million, unless otherwise stated)

Annexure I
Restated Ind AS Consolidated Summary Statement of Assets and Liabilities

	Annexure	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
ASSETS					
Non-current assets					
Property, plant and equipment	VII A	8,427.40	8,470.11	8,442.68	8,310.55
Right of use asset	VII B	2,277.33	2,279.77	2,236.48	2,263.06
Capital work-in-progress	VII A	348.32	314.87	233.76	294.30
Intangible assets	VIII	29.28	31.08	24.40	20.87
Investment in joint venture	IX	-	-	30.17	5.60
Financial assets	X				
A) Investments		0.21	0.21	0.33	0.46
B) Loans		51.02	54.26	62.65	61.41
C) Other financial assets		38.40	37.89	35.60	32.74
Non current tax assets (net)	XI	28.74	20.50	111.50	96.82
Other non current assets	XII	133.75	131.00	121.55	210.67
Total non current assets		**11,334.45**	**11,339.69**	**11,299.12**	**11,296.48**
Current assets					
Inventories	XIII	126.58	139.68	168.85	144.54
Financial assets	XIV				
A) Trade receivables		279.25	271.15	271.70	267.91
B) Cash and cash equivalents		72.48	39.72	78.54	30.28
C) Bank balance other than included in cash and cash equivalents above		2.92	2.92	2.86	3.90
D) Loans		365.05	222.72	4.88	283.75
E) Other financial assets		105.32	99.00	95.50	47.21
Current tax assets (net)	XV	25.64	70.25	-	-
Other current assets	XVI	198.05	168.02	168.34	248.85
Total current assets		**1,175.29**	**1,013.46**	**790.67**	**1,026.44**
Total assets		**12,509.74**	**12,353.15**	**12,089.79**	**12,322.92**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	XVII	174.66	174.66	174.66	188.82
Other equity	XVIII	5,675.02	5,698.75	5,638.85	5,998.77
Equity attributable to owners of Apeejay Surrendra Park Hotels Limited		**5,849.68**	**5,873.41**	**5,813.51**	**6,187.59**
Non controlling interests		1.12	1.38	1.73	1.04
Total equity		**5,850.80**	**5,874.79**	**5,815.24**	**6,188.63**
Non-current liabilities					
Financial liabilities	XIX				
A) Borrowings		3,836.18	3,891.28	3,838.15	3,794.07
B) Lease liabilities		71.44	65.94	8.87	14.11
C) Other financial labilities		0.30	0.27	0.27	0.27
Other non current liabilities	XX	-	-	106.89	237.70
Provisions	XXI	65.75	52.49	42.72	-
Deferred tax liabilities (net)	XXXIII	601.72	614.99	639.38	514.82
Total non current liabilities		**4,575.39**	**4,624.97**	**4,636.28**	**4,560.97**
Current liabilities					
Financial liabilities	XXII				
A) Borrowings		674.63	521.82	554.89	417.45
B) Trade payables					
(a) Total outstanding dues of micro enterprises and small enterprises		-	-	0.59	0.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		458.03	431.48	323.37	461.23
C) Lease liabilities		16.97	18.19	6.18	5.10
D) Other financial liabilities		688.78	644.79	557.10	484.74
Other current liabilities	XXIII	176.49	165.55	132.81	134.30
Provisions	XXIV	68.65	71.56	57.43	69.91
Current tax liabilities (net)	XXV	-	-	5.90	-
Total current liabilities		**2,083.55**	**1,853.39**	**1,638.27**	**1,573.32**
Total liabilities		**6,658.94**	**6,478.36**	**6,274.55**	**6,134.29**
Total equity and liabilities		**12,509.74**	**12,353.15**	**12,089.79**	**12,322.92**

Note:
The above statement should be read with Significant Accounting Policies forming part of the Restated Ind AS Consolidated Financial Statements in Annexure V, Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements in Annexure VI.

As per our report of even date
For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

(All amounts in INR million, unless otherwise stated)

Annexure II
Restated Ind AS Consolidated Summary Statement of Profit and Loss

	Annexure		Three months period ended June 30, 2019		Year ended 31 March 2019		Year ended 31 March 2018		Year ended 31 March 2017
Income									
Revenue from contracts with customers	XXVI		939.84		4,212.91		3,828.84		3,493.54
Other income	XXVII		57.37		96.59		55.02		212.69
Total income			**997.21**		**4,309.50**		**3,883.86**		**3,706.23**
Expenses									
Consumption of provisions, beverages, wines/liquor and smokes	XXVIII		152.80		687.00		596.70		563.76
Employee benefits expenses	XXIX		211.02		809.39		802.81		765.10
Finance costs	XXX		117.64		498.30		418.89		441.08
Depreciation and amortization expenses	XXXI		78.32		309.87		306.14		274.93
Other expenses	XXXII		466.42		1,885.67		1,693.02		1,603.52
Total expenses			**1,026.20**		**4,190.23**		**3,817.56**		**3,648.39**
Restated profit/(loss) before share of profit/(loss) of joint venture and tax			(28.99)		119.27		66.30		57.84
Share of profit/(loss) of joint venture			-		2.84		0.82		(9.37)
Foreign currency translation reserve reclassified from other comprehensive income on discontinuance of equity method in relation to a joint venture			-		-		-		12.93
Restated profit/(loss) before tax			**(28.99)**		**122.11**		**67.12**		**61.40**
Tax expenses	XXXIII								
Current tax		-		29.63		19.94		20.40	
Less: MAT credit entitlement		-	-	(29.17)	0.46	(19.89)	0.05	(20.40)	-
Adjustment of tax relating to earlier periods			-		15.42		-		-
Deferred tax charge/(credit)			(10.67)		9.07		146.06		(41.79)
Restated profit/(loss) for the period/year			**(18.32)**		**97.16**		**(78.99)**		**103.19**
Restated other comprehensive income/(loss) ('OCI')									
Items that will be reclassified to profit or loss in subsequent periods									
Exchange difference on translation of foreign operations			-		-		23.89		*
Less : Foreign currency translation reserve reclassified to profit or loss on discontinuance of equity method in relation to a joint venture			-		(27.35)		-		(12.93)
Items that will not be reclassified to profit or loss in subsequent periods									
Re-measurements of post employment benefit obligations			(8.27)		(14.55)		(5.18)		(12.28)
Income tax related to above items			2.60		4.29		1.61		3.79
Restated other comprehensive income/(loss) for the period/year, net of tax			**(5.67)**		**(37.61)**		**20.32**		**(21.42)**
Restated total comprehensive income/(loss) for the period/year, net of tax			**(23.99)**		**59.55**		**(58.67)**		**81.77**
Restated profit/(loss) for the period/year attributable to									
Equity shareholders of parent Company			**(18.06)**		**97.51**		**(79.68)**		**102.77**
Non-controlling interests			**(0.26)**		**(0.35)**		**0.69**		**0.42**
Restated other comprehensive income/(loss) for the period/year attributable to									
Equity shareholders of parent Company			**(5.67)**		**(37.61)**		**20.32**		**(21.42)**
Non-controlling interests			*		*		*		*
Restated total other comprehensive income/(loss) for the period/year attributable to									
Equity shareholders of parent Company			**(23.73)**		**59.90**		**(59.36)**		**81.35**
Non-controlling interests			**(0.26)**		**(0.35)**		**0.69**		**0.42**
Restated earnings per equity share	XXXIV								
Basic - INR			**(0.10)**		**0.56**		**(0.43)**		**0.54**
Diluted - INR			**(0.10)**		**0.56**		**(0.43)**		**0.54**

* Below rounding off norms

Note:

The above statement should be read with Significant Accounting Policies forming part of the Restated Ind AS Consolidated Financial Statements in Annexure V, Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements in Annexure VI.

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

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

(All amounts in INR million, unless otherwise stated)

Annexure III
Restated Ind AS Consolidated Summary Statement of Cash Flows

		Period ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
A.	**Operating activities**				
	Restated profit / (loss) before tax	**(28.99)**	**122.11**	**67.12**	**61.40**
	Adjustments to reconcile restated profit / (loss) before tax to net cash flows:				
	Depreciation and amortization expenses	78.32	309.87	306.14	274.93
	Loss on disposal/sale of tangible assets	0.38	15.58	11.85	0.37
	Interest on advances, deposits and tax refunds	(6.54)	(56.15)	(15.94)	(8.59)
	Interest income on deferred employee loan	*	-	-	(0.28)
	Finance costs	117.64	498.30	418.89	441.08
	Bad debts/advance written off	9.00	0.86	4.90	2.47
	Liabilities no longer required written back	(0.30)	(8.61)	(8.34)	(13.31)
	Provision for doubtful debts no longer required written back	(15.22)	(4.96)	(0.66)	(0.17)
	Fair Value loss on financial assets (investments) at FVTPL	-	-	0.07	*
	Share of profit/(loss) of joint venture	-	(2.84)	(0.82)	9.37
	(Profit)/loss on sale of investment in joint venture	-	5.69	-	(0.15)
	Foreign currency translation reserve reclassified from OCI on discontinuance of equity method in relation to a joint venture	-	-	-	(12.93)
	Allowance for credit impaired debts and advances / Provision for doubtful debts and advances	5.40	35.16	10.88	57.57
	Operating restated profit before current and non current assets and liabilities	**159.69**	**915.01**	**794.09**	**811.76**
	Changes in current and non current assets and liabilities:				
	Increase in current/non-current provisions	2.08	9.35	25.06	34.71
	(Decrease)/increase in current/non-current other financial liabilities	18.05	21.38	8.15	(9.30)
	(Decrease)/increase in current/non-current other liabilities	10.94	(74.15)	(132.30)	(27.61)
	(Decrease)/increase in trade payables	26.85	121.02	(129.47)	83.11
	(Increase)/decrease in trade receivables	(7.24)	(34.52)	(29.58)	10.81
	(Increase)/decrease in current/non-current other financial assets	(21.27)	45.17	(65.85)	55.20
	(Increase)/decrease in current/non-current other assets	(32.82)	(10.07)	180.30	(1.53)
	(Increase)/decrease in inventories	13.10	29.17	(24.31)	(16.94)
		9.69	**107.35**	**(168.00)**	**128.45**
	Direct tax refund/(paid) (net)	36.37	(30.20)	(26.42)	(22.80)
	Net cash flows from operating activities (A)	**205.75**	**992.16**	**599.67**	**917.41**
B.	**Investing activities :**				
	Purchase of property, plant and equipment and intangible assets	(58.41)	(415.38)	(391.96)	(245.18)
	Proceeds from sale of property, plant and equipment	-	4.91	26.81	0.40
	Loans taken/repaid during the year	(139.09)	(209.45)	277.63	(220.00)
	Funds placed/withdrawn in long-term deposits with bank	-	(0.06)	1.04	0.83
	Interest income received	20.98	5.19	28.34	8.63
	Proceeds from sale of investments	-	0.15	0.10	0.10
	Payment from buy back of equity shares	-	-	(314.72)	-
	Net cash flows used in investing activities (B)	**(176.52)**	**(614.64)**	**(372.76)**	**(455.22)**
C.	**Financing activities :**				
	Proceeds from non-current borrowings	9.70	488.68	1,186.70	2,215.22
	Proceeds/(repayment) from/of current borrowings (net)	152.84	(33.07)	137.45	(372.15)
	Repayment of non-current borrowings	(55.10)	(369.53)	(1,080.60)	(1,828.92)
	Payment of lease liabilities	(4.49)	(7.34)	(6.98)	(6.21)
	Finance costs paid	(114.96)	(495.37)	(421.44)	(462.05)
	Net cash flows used in financing activities (C)	**(12.01)**	**(416.63)**	**(184.87)**	**(454.11)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	17.22	(39.11)	42.04	8.08
	Cash and cash equivalents at the beginning of the period/year	33.21	72.32	30.28	22.20
	Cash and cash equivalents at the end of the period/year	**50.43**	**33.21**	**72.32**	**30.28**
	Cash and cash equivalents comprise (refer Annexure XIV B and XXII D) :				
	Cash on hand	20.73	18.38	13.65	17.04
	Cheques on hand	4.35	4.18	3.87	0.98
	Balances with banks:				
	- On current accounts	44.50	17.16	60.86	12.11
	- Deposits with original maturity of less than three months	2.90	-	0.16	0.15
	Book overdraft	(22.05)	(6.51)	(6.22)	-
		50.43	**33.21**	**72.32**	**30.28**

* Below rounding off norms

Note:

The above statement should be read with Significant Accounting Policies forming part of the Restated Ind AS Consolidated Financial Statements in Annexure V, Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements in Annexure VI.

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

Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No. 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

(All amounts in INR million, unless otherwise stated)

Annexure IV
Restated Ind AS Consolidated Summary Statement of Change in Equity

A) Equity share capital (Equity shares of INR 10 each)

Particulars	Number of shares	Amount
At 1 April 2016	1,88,82,353	188.82
Changes in equity share capital during the year	-	-
At 31 March 2017	1,88,82,353	188.82
Changes in equity share capital during the year	(14,16,177)	(14.16)
At 31 March 2018	1,74,66,176	174.66
Changes in equity share capital during the year	-	-
At 31 March 2019	1,74,66,176	174.66
Changes in equity share capital during the period	-	-
At 30 June 2019	**1,74,66,176**	**174.66**

B) Other equity

	Reserves and surplus							
	Capital reserve	**Securities premium**	**General reserve**	**Retained earnings**	**Foreign currency translation reserve**	**Total other equity**	**Non controlling interest**	**Total**
Balance as at 1 April 2016	*	**2,138.68**	**801.45**	**2,960.90**	**16.39**	**5,917.42**	**0.62**	**5,918.04**
Profit/(loss) for the year	-	-	-	102.77	-	102.77	0.42	103.19
Other comprehensive income for the year	-	-	-	(8.49)	(12.93)	(21.42)	*	(21.42)
Balance as at 31 March 2017	*	**2,138.68**	**801.45**	**3,055.18**	**3.46**	**5,998.77**	**1.04**	**5,999.81**
Profit/(loss) for the year	-	-	-	(79.68)	-	(79.68)	0.69	(78.99)
Transfer to capital redemption reserve	14.06	-	(14.06)	-	-	-	-	-
Adjustment on account of buy back of shares	-	(300.56)	-	-	-	(300.56)	-	(300.56)
Other comprehensive income for the year	-	-	-	(3.57)	23.89	20.32	*	20.32
Balance as at 31 March 2018	**14.06**	**1,838.12**	**787.39**	**2,971.93**	**27.35**	**5,638.85**	**1.73**	**5,640.58**
Profit/(loss) for the year	-	-	-	97.51	-	97.51	(0.35)	97.16
Other comprehensive income for the year	-	-	-	(10.26)	(27.35)	(37.61)	*	(37.61)
Balance as at 31 March 2019	**14.06**	**1,838.12**	**787.39**	**3,059.18**	**-**	**5,698.75**	**1.38**	**5,700.13**
Loss for the year	-	-	-	(18.06)	-	(18.06)	(0.26)	(18.32)
Other comprehensive income for the period	-	-	-	(5.67)	-	(5.67)	*	(5.67)
Balance as at 30 June 2019	**14.06**	**1,838.12**	**787.39**	**3,035.45**	**-**	**5,675.02**	**1.12**	**5,676.14**

* Below rounding off norms

Note:
The above statement should be read with Significant Accounting Policies forming part of the Restated Ind AS Consolidated Financial Statements in Annexure V, Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements in Annexure VI.

For S.R. Batliboi & Co LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of signature: Kolkata
Date: December 27, 2019

Annexure V Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity for the three months period ended 30 June 2019 and years ended 31 March 2019, 31 March 2018 and 31 March 2017

1. Corporate information

Apeejay Surrendra Park Hotels Limited is a public limited Company domiciled in India, incorporated in India under the provisions of the Companies Act, 1956. The registered office of the Company is situated at 17, Park Street, Kolkata, West Bengal, India, 700016. The consolidated financial statements relate to Apeejay Surrendra Park Hotels Limited ('the Parent Company') along with its subsidiaries (collectively referred to as 'the Group') and its joint ventures.

The Parent Company along with its subsidiaries and its joint venture is primarily engaged in the business of owning, operating and managing hotels. Its shares are not listed on any stock exchanges.

2A. Basis of preparation

a) Basis of preparation and compliance

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at June 30, 2019 and as at March 31, 2019, March 31, 2018 and March 31, 2017, and Restated Ind AS Consolidated Summary Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Changes in Equity and Restated Ind AS Consolidated Summary Statement of Cash flows for three month period ended June 30, 2019 and each year ended March 31, 2019, March 31, 2018 and March 31, 2017 (herein collectively referred to as 'Restated Ind AS Consolidated Financial Statements') have been prepared specifically for inclusion in the Offer Document to be filed by the Group with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for sale by selling shareholders and fresh issue of its equity shares, to comply in all material respects with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "Regulations"); and

(c) Guidance Note on Report in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Ind AS Consolidated Summary Statements have been compiled from Interim Consolidated Financial Statements of the Group for the three month period ended

June 30, 2019 and annual consolidated financial statements for year ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

The Interim Consolidated financial statements of the Group as at and for three months ended June 30, 2019 have been prepared in accordance with principles of Ind AS 34 'Interim Financial Reporting', prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The consolidated financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest million upto two decimal places, except otherwise indicated.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company along with its subsidiaries as at June 30, 2019 and each year ended March 31, 2019, March 31, 2018 and March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;

- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made if amount is material to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March and for three-month period ended 30 June. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

Subsidiaries

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12: Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Adjustments are made to the financial statements of subsidiaries, when considered necessary to align their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Joint venture

A joint venture is a type of a 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 Group'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 Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognize the loss in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2B. Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

► Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 : Income Tax and Ind AS 19 : Employee Benefits respectively.

► Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in Consolidated Statement of Profit and Loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b) Current and non-current classification

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

An asset is reported as current when it is:

a. expected to be realised or intended to be sold or consumed in the normal operating cycle;

b. held primarily for the purpose of trading;

c. expected to be realised within twelve months after the reporting period; or

d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a. it is expected to be settled in normal operating cycle;

b. it is held primarily for the purpose of trading;

c. it is due to be settled within twelve months after the reporting period; or

d. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classified all other liabilities as non-current.

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

c) Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

d) Property, plant and equipment and capital work-in-progress

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. On transition to Ind AS, the Group had elected to measure all of its property, plant and equipment at the previous GAAP carrying value (deemed cost).

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period in which such expenses are incurred.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

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

Depreciation on property, plant and equipments is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life, which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act, 2013. The useful life is as follows:

Asset Category	Estimated useful life (in years) as per Schedule II	Estimated useful life (in years) as per technical assessment
Plant and equipment and electrical installation	15	20
Office equipments	5	6
Buildings	60	30-100
Furniture and 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 and laptops	3	6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Ships are depreciated over the period of twenty eight years.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination/acquisition is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

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 useful life is as follows:

Asset Category	Useful life (in years)
Computer software	5

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 Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 Consolidated Statement of Profit and Loss when the asset is derecognised.

f) Leases

The Group assesses 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.

Group as a lessee

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

Right-of-use asset

The Group 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, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and its estimated useful lives of the assets, as follows:

Land 30 to 99 years

Building 1 to 29 years

If ownership of the leased asset transfers to the Group 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.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The 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 Group uses the incremental borrowing rate at the lease commencement date if 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 remeasured if there is a modification, a change in the lease term, a change in the lease payments, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

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

For arrangements entered into prior to April 1, 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Short-term leases and leases of low-value assets

The Group 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's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in Consolidated Statement of Profit and Loss.

Group as a lessor

Leases in which the Group 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 other income in the Consolidated Statement of Profit and Loss. 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.

g) Borrowing costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Consolidated Statement of Profit and Loss for the period for which they are incurred.

h) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Consolidated Balance Sheet date, if there is any indication of impairment based on internal/external factors. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

i) Inventories

Inventories comprise provisions, beverage and smokes, wines and liquor, stores and spares parts and other operating supplies such as crockery, cutlery, glassware, linen, etc. Inventories are valued at lower of cost and net realizable value.

Costs includes cost of purchase and other costs incurred in bringing the inventories at their present location and condition. Cost is determined on a weighted average basis.

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

j) **Revenue from contract with customers and other streams of revenue**

Revenue from contracts with customers is recognized when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration which the Group expects to realize in exchange for those goods or services and no significant uncertainty exists as regards the ultimate collectability of such consideration.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied following accounting policy for revenue recognition:

Revenue from sale of goods and services

Revenue includes room revenue, sale of food and beverage, sale of wine and liquor, other ancillary and allied service income. Performance obligations in contracts with customers are met through the stay of guest in the hotel or on sale of goods and on rendering of services as per the terms of contract with the customer.

Revenue is recognized at the transaction price allocated to the performance obligation and is recognized net of discounts, any entitlements that may accrue to the customer for subsequent utilization and sales related taxes in the period in which the services are rendered. The Group collects value added tax (VAT) and Goods and Service Tax (GST) on behalf of the government and not on its own account. Therefore, these are not economic benefits flowing to the Group and hence excluded from revenue i.e. revenue should be net of GST and VAT.

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

Other operating income

Other operating income are recognized as follows:

- Income from management fees are recognized on accrual basis on rendering of related services as per terms of underlying arrangements.
- Exports entitlements [arising out of Served from India Scheme (SFIS)] are recognized when the right to receive related benefits as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collectability of relevant export proceeds.
- In relation to laundry income, telephone income, internet income, health club income, spa services and other allied services, revenue is recognized on accrual basis on rendering of such services.

Other income

Other income is recognized as follows:

- Interest income

  For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- For other income from shop rentals, refer below.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets with respect to initial recognition and subsequent measurement below.

Contract liabilities

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

k) Foreign currency translation

The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency item at the Consolidated Balance Sheet date

Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Consolidated Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

l) Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, incentives etc. which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are charged to the Consolidated Statement of Profit and Loss. The Group estimates the liability for such short-term benefits on cost to Group basis.

Defined contribution plans

Retirement benefit in the form of provident fund is defined contribution scheme.

The Group recognises contribution payable to the provident fund as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds. The Group's contributions to defined contribution plans are charged to the Consolidated Statement of Profit and Loss as incurred.

Defined benefit plans

The Group operates a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end 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 Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Past service costs are recognised in Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Other long-term employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m) Income taxes

Tax expenses comprise current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and 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. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and 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 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 income tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

The Group’s operating businesses are organized and managed separately according to the nature of products and services with each segment representing a strategic business unit that offers different products and serves different markets.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs/assets and liabilities

Common allocable costs/assets and liabilities are allocated to each segment are consistently allocated amongst the segments on appropriate basis.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Group as a whole.

o) Earnings per equity share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 and share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

p) Provisions, contingent liabilities and capital commitments

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss. If the effect of the time value of money is material, provisions are discounted using a current pretax 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of Consolidated Statement of Cash Flows comprise cash at bank and in hand, cheques in 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 consolidated 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 Group's cash management.

r) Financial instruments

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

Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified at the initial recognition as financial assets measured at fair value or as financials assets measured at amortised cost.

Subsequent measurement

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

- Financials assets at amortised cost
- Financials assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the Consolidated Statement of Profit and Loss (i.e., fair value through profit and loss), or recognised in Other Comprehensive Income (i.e., fair value through other comprehensive income).

Financials assets carried at amortised cost

A financials asset that meets the following two conditions is measured at amortised cost (net of impairment) unless the asset is designated at fair value through Profit and loss under the fair value option.

- Business model test: The objective of the Group's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financials assets at fair value through other comprehensive income (FVTOCI)

Financials assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

Financials assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

The rights to receive cash flows from the asset have expired, or

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model for the following:

- 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 115: Revenue from contracts with customers.
- Other financial assets such as deposits, advances etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. 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.

As a practical expedient, the Group uses the provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognized as other expense in the Consolidated Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for

the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109: Financial Instruments.

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 (FVTPL) 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/losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Derecognition

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

Financial guarantee contracts

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

s) Derivative financial instruments

The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk.

Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

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's recognition as income in the Consolidated Statement of Profit and Loss is linked to fulfilment of associated export obligations.

The Group imports capital goods and avails concession for custom duty under Export Promotion Capital Goods Scheme ("the Scheme"). The quantum of duty concession availed is added to the carrying value of the particular property, plant and equipment and a corresponding deferred income recognized. Based on the terms and conditions of the Scheme, the grant received is to compensate the import of cost of assets subject to export obligation prescribed in the Scheme. The grant is recognized in the Statement of Profit and Loss on the basis of fulfilment of related export obligation as prescribed in Ind AS Technical Facilitation Group (ITFG) issued by ICAI (Institute of Chartered Accountants of India) through clarification Bulletin 11.

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

u) Significant accounting judgements estimates and assumptions

In the course of applying the policies outlined in all notes, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Recognition of deferred tax assets

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

Impairment of financial assets

At each Consolidated Balance Sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets

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

Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of depreciable/amortizable assets

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

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including multiples and the Discounted Cash Flow (DCF model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU)'s fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The Group recognize the following changes in the net defined benefit obligation under Employee benefits expenses in Consolidated Statement of Profit and Loss:

- Service cost comprising current service costs, past service costs, gains and losses on curtailments and nonroutine settlements.
- Net interest expense or Income.

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 Consolidated 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.

Lease term – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2C. Standards issued but not effective

The Group has applied the Companies (Indian Accounting Standards), Amendment Rules 2019 which is effective from 1 April 2019, while preparing the restated Ind AS financial statements.

Accordingly, the Group has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no Standards which are issued, but not yet effective.

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Annexure VI
Part A: Statement of Restated Adjustments to Audited Ind AS Consolidated Financial Statements

The summary of results of restated adjustments made in the Audited Ind AS Consolidated Financial Statements for the respective year/period and its impact on the profit/loss) of the Group is as follows :

Particulars	Notes	For the period/year ended				Adjustment to opening reserve as at 1 April 2016
		June 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017	
Net profit / (loss) for the year as per audited consolidated financial statements		(18.60)	100.49	(78.71)	103.60	
Restatement adjustments						
Impact of Ind AS 116						
Increase/(decrease) in total income		-	-	-	-	-
(Increase)/decrease in total expenses						
- Depreciation on right of use assets	1a	(0.71)	(8.04)	(5.82)	(5.09)	-
- Finance cost (interest) on lease liability	1b	-	(2.93)	(1.56)	(1.85)	-
- Decrease in other expenses	1c	1.12	6.13	6.98	6.34	-
Total adjustments before tax		0.41	(4.84)	(0.40)	(0.60)	-
Restated profit/(loss) before tax		**(18.19)**	**95.65**	**(79.11)**	**103.00**	**-**
Deferred tax impact of restatement adjustments	2	(0.13)	1.51	0.12	0.19	**-**
Total tax adjustments		(0.13)	1.51	0.12	0.19	-
Restated profit/(loss) for the period/year		**(18.32)**	**97.16**	**(78.99)**	**103.19**	**-**

The above statement should be read with the notes to the restated consolidated summary statement as appearing in Annexures.

1. Impact of Ind AS 116 : Leases

For the purpose of preparation of restated financial statements, management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the periods ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017 . Hence in these restated financial statements Ind AS 116 has been adopted with effect from 1 April 2016 following modified retrospective method as fully explained in Annexure V Note 2B. Impact of adoption of Ind AS 116 has been adjusted in the respective periods for the purpose of restatement.

(a) It represents depreciation on right of use assets, pertaining to lease arrangements recognised pursuant to implementation of Ind AS 116. The right of use assets are depreciated over the 'lease term' as defined under Ind AS 116 or economic life, whichever is lower.

(b) It represents interest element recognised on lease liabilities pursuant to implementation of Ind AS 116.

(c) Lease rentals pertaining to lease arrangements accounted in accordance to erstwhile Ind AS 17: Leases, now reversed.

2. Accounting for taxes on income

Computation of deferred tax has been computed and adjusted to give effect to the reversal of timing differences on adjustments made as detailed above and has been adjusted in the restated profits and losses for the periods ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017.

3. Impact of Ind AS 115

The Company has adopted Ind AS 115 : Revenue from contracts with customers effective April 1, 2018. For the purpose of preparation of restated financial statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 115 for each of the year ended March 31, 2018 and March 31, 2017. No material adjustments were identified for the purpose of restatement.

(All amounts in INR million, unless otherwise stated)

Part B: Statement of Restated Adjustments to Audited Ind AS Consolidated Financial Statements

The summary of results of restated adjustments made in the Audited Ind AS Consolidated Financial Statements for the respective year/period and its impact on equity of the Group is as follows :

Particulars	Notes	As at				Adjustment to opening reserve as at 1 April 2016
		June 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017	
Total equity as per audited consolidated financial statements		5,854.54	5,878.81	5,815.93	6,189.04	
Restatement adjustments						
Impact of Ind AS 116						
Increase/(decrease) in total income		-	-	-	-	-
(Increase)/decrease in total expenses						
- Depreciation on right of use assets	1a	(0.71)	(8.04)	(5.82)	(5.09)	-
- Finance cost (interest) on lease liability	1b	-	(2.93)	(1.56)	(1.85)	-
- Decrease in other expenses	1c	1.12	6.13	6.98	6.34	-
Total adjustments before tax		0.41	(4.84)	(0.40)	(0.60)	-
Restated profit/(loss) before tax		**5,854.95**	**5,873.97**	**5,815.53**	**6,188.44**	**-**
Deferred tax impact of restatement adjustments	2	(0.13)	1.51	0.12	0.19	**-**
Total tax adjustments		(0.13)	1.51	0.12	0.19	-
Opening impact of Ind AS 116 (net of tax)		(4.02)	(0.69)	(0.41)		
Restated total equity		**5,850.80**	**5,874.79**	**5,815.24**	**6,188.63**	**-**

Part B: Statement of Restated Adjustments to Audited Ind AS Consolidated Financial Statements
The above statement should be read with the notes to the restated consolidated summary statement as appearing in Annexures.

1. Impact of Ind AS 116 : Leases
For the purpose of preparation of restated financial statements, management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the periods ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017 . Hence in these restated financial statements Ind AS 116 has been adopted with effect from 1 April 2016 following modified retrospective method as fully explained in Annexure V Note 2B. Impact of adoption of Ind AS 116 has been adjusted in the respective periods for the purpose of restatement.
(a) It represents depreciation on right of use assets, pertaining to lease arrangements recognised pursuant to implementation of Ind AS 116. The right of use assets are depreciated over the 'lease term' as defined under Ind AS 116 or economic life, whichever is lower.
(b) It represents interest element recognised on lease liabilities pursuant to implementation of Ind AS 116.
(c) Lease rentals pertaining to lease arrangements accounted in accordance to erstwhile Ind AS 17: Leases, now reversed.

2. Accounting for taxes on income
Computation of deferred tax has been computed and adjusted to give effect to the reversal of timing differences on adjustments made as detailed above and has been adjusted in the restated profits and losses for the periods ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017.

3. Impact of Ind AS 115
The Company has adopted Ind AS 115 : Revenue from contracts with customers effective April 1, 2018. For the purpose of preparation of restated financial statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 115 for each of the year ended March 31, 2018 and March 31, 2017. No material adjustments were identified for the purpose of restatement.

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)
Part C: Non adjusting items

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2003 (as amended), on the financial statements for the years ended March 31, 2019, 2018 and 2017 which do not require any corrective adjustment in the Restated Summary Statements are as follows:

As at and for the year ended 31 March 2019

Apeejay Surrendra Park Hotels Limited

Clause (i) (a)

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for certain particulars relating to interiors of hotel building.

Clause (i) (c)

According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment / fixed assets are held in the name of the Company, except for the immovable properties acquired through scheme of amalgamation in the previous years. As explained to us, registration of title deeds is in progress in respect of such immovable properties aggregating to INR 249.90 million (net block).

Clause (vii) (a)

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

Clause (vii) (b)

According to the information and explanations given to us, except as disclosed below , no undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other applicable statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of the statue	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Goods and Services Tax (GST) Act, 2017	GST	18.70	October 17- September 18	October, 2018	Not yet paid
The Employees Provident Funds and Miscellaneous Provisions Act 1952	Provident Fund	0.10	April 18- September 18	October, 2018	Not yet paid

Clause (vii) (c)

According to the records of the Company, the dues outstanding of income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute are as follows:

Name of the statue	Nature of the dues	Demand amount	Demand paid under protest	Net Demand	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	55.70	6.40	49.30	2004-05 to 2017-18	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1.40	-	1.40	AY 2013-14 to AY 2014-15	Commissioner of Income Tax (Appeals)

Clause (ix)

In our opinion and according to information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purposes for which they were raised other than term loans aggregating INR 450.00 million which were used for giving inter corporate deposits pending their utilisation for purposes for which they were taken. The Company has not raised any money by way of initial public offer/further public offer/debt instruments during the year.

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)
Part C: Non adjusting items
As at and for the year ended 31 March 2018

Apeejay Surrendra Park Hotels Limited

Clause (i) (c)
According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment/fixed assets are held in the name of the Company, except for the immovable properties acquired through scheme of amalgamation in the previous years. As explained to us, registration of title deeds is in progress in respect of such immovable properties aggregating to Rs. 342.90 million (net block).

Clause (vii) (a)
Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, duty of custom, service tax, duty of excise, value added tax, goods and service tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

Clause (vii) (c)
According to the records of the Company, the dues outstanding of income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute are as follows:

Name of the statue	Nature of the dues	Demand amount	Demand paid under protest	Net demand	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	17.20	4.50	12.70	2004-05 to 2008-09	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4.50	-	4.50	AY 2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.40	-	1.40	AY 2013-2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	*	-	*	AY 2014-2015	Commissioner of Income Tax (Appeals)

* Below rounding off norms

For the year ended 31 March 2017

Apeejay Surrendra Park Hotels Limited

Clause (i) (c)
The title deeds of immovable properties, as disclosed in note on fixed assets to the financial statements, are in the name of Gemini Hotels and Holdings Limited/New Bombay Park Hotels Limited/Andhra Hotels Private Limited other than as set out below which are in the name of the Company:

	Gross block	Net block
Land and building	7,363.94	7,253.50

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

Name of the statue	Nature of the dues	Amount	Period to which amount relates	Due Date	Date of Payment
Finance Act, 1994	Income Tax	*	Apr-16	07-May-16	02-Aug-17
Income Tax Act, 1961	Income Tax	*	Aug-16	07-Sep-16	02-Aug-17
Income Tax Act, 1961	Income Tax	*	Sep-16	07-Oct-16	02-Aug-17

* Below rounding off norms

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)
Part C: Non adjusting items
Clause (vii) (b)

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

Name of the statue	Nature of dues	Amount	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	17.25	2004-05 to 2008-09	Customs ,Excise and Service Tax Appellate Tribunal Kolkata
Income Tax Act, 1961	Income Tax	4.46	AY 2012-13	Commission of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.42	AY 2013-14	Commission of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	*	AY 2014-15	Commission of Income Tax (Appeals)

* Below rounding off norms

Part D : Material regroupings

Appropriate regroupings have been made in the restated Ind AS summary statements of assets and liabilities, statement of profit and loss and statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial statements of the Group for the year ended June 30, 2019 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

(All amounts in INR million, unless otherwise stated)

Annexure VII A
Restated Ind AS Consolidated Summary Statement of property, plant and equipment

Particulars	Freehold land	Buildings [Refer (a) and (b) below]	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipments	Electrical installation	Ships	Total	Capital work -in-progress
Deemed cost (gross carrying amount)											
Balance as at 1 April 2016	1,100.41	5,322.44	1,288.07	21.48	322.72	124.98	55.19	336.96	10.61	8,582.86	298.18
Add : Additions	-	65.04	106.34	3.83	18.56	3.01	3.76	15.81	0.54	216.89	129.78
Less : Exchange differences	-	(16.67)	(4.15)	-	-	-	-	(1.19)	-	(22.01)	-
Less : Disposals	-	-	(0.80)	(0.85)	-	(2.31)	-	-	(0.06)	(4.02)	(133.66)
Balance as at 31 March 2017	**1,100.41**	**5,370.81**	**1,389.46**	**24.46**	**341.28**	**125.68**	**58.95**	**351.58**	**11.09**	**8,773.72**	**294.30**
Add : Additions	-	198.19	104.72	10.99	56.24	17.65	4.08	23.89	-	415.76	254.55
Less : Disposals	-	(6.73)	(5.11)	-	(3.20)	(6.70)	(34.03)	(0.07)	-	(55.84)	(315.09)
Less : Other adjustments	-	-	24.67	-	-	-	-	-	-	24.67	-
Balance as at 31 March 2018	**1,100.41**	**5,562.27**	**1,513.74**	**35.45**	**394.32**	**136.63**	**29.00**	**375.40**	**11.09**	**9,158.31**	**233.76**
Add : Additions	-	149.41	61.15	10.62	62.90	10.89	2.05	14.10	7.25	318.37	273.50
Less : Disposals	-	(26.82)	(10.25)	(0.63)	(10.59)	(6.30)	-	(1.84)	-	(56.43)	(192.39)
Balance as at 31 March 2019	**1,100.41**	**5,684.86**	**1,564.64**	**45.44**	**446.63**	**141.22**	**31.05**	**387.66**	**18.34**	**9,420.25**	**314.87**
Add : Additions	-	5.16	9.27	2.01	5.51	-	0.71	1.50	-	24.16	37.51
Less : Disposals	-	-	(0.92)	-	-	-	-	-	-	(0.92)	(4.06)
Balance as at 30 June 2019	**1,100.41**	**5,690.02**	**1,572.99**	**47.45**	**452.14**	**141.22**	**31.76**	**389.16**	**18.34**	**9,443.49**	**348.32**
Accumulated depreciation											
Balance as at 1 April 2016	-	63.05	92.88	5.15	27.01	11.71	4.00	20.41	0.91	225.12	-
Add : Depreciation for the year	-	64.79	99.11	4.55	29.13	18.56	3.14	21.06	0.88	241.22	-
Less : Disposals	-	-	(0.31)	(0.80)	-	(2.06)	-	-	*	(3.17)	-
Balance as at 31 March 2017	**-**	**127.84**	**191.68**	**8.90**	**56.14**	**28.21**	**7.14**	**41.47**	**1.79**	**463.17**	**-**
Add : Depreciation for the year	-	83.78	104.87	4.50	31.08	19.59	1.80	23.15	0.87	269.64	-
Less : Disposals	-	(0.79)	(5.11)	-	(1.96)	(5.96)	(3.36)	*	-	(17.18)	-
Balance as at 31 March 2018	**-**	**210.83**	**291.44**	**13.40**	**85.26**	**41.84**	**5.58**	**64.62**	**2.66**	**715.63**	**-**
Add : Depreciation for the year	-	77.77	106.19	5.92	32.82	19.07	1.45	24.06	3.17	270.45	-
Less : Disposals	-	(11.30)	(7.19)	(0.62)	(9.16)	(6.14)	-	(1.53)	-	(35.94)	-
Balance as at 31 March 2019	**-**	**277.30**	**390.44**	**18.70**	**108.92**	**54.77**	**7.03**	**87.15**	**5.83**	**950.14**	**-**
Add : Depreciation for the period	-	19.32	26.15	1.54	8.47	4.15	0.38	5.83	0.65	66.49	-
Less : Disposals	-	-	(0.54)	-	-	-	-	-	-	(0.54)	-
Balance as at 30 June 2019	**-**	**296.62**	**416.05**	**20.24**	**117.39**	**58.92**	**7.41**	**92.98**	**6.48**	**1,016.09**	**-**
Net Block											
Balance as at 31 March 2017	**1,100.41**	**5,242.97**	**1,197.78**	**15.56**	**285.14**	**97.47**	**51.81**	**310.11**	**9.30**	**8,310.55**	**294.30**
Balance as at 31 March 2018	**1,100.41**	**5,351.44**	**1,222.30**	**22.05**	**309.06**	**94.79**	**23.42**	**310.78**	**8.43**	**8,442.68**	**233.76**
Balance as at 31 March 2019	**1,100.41**	**5,407.56**	**1,174.20**	**26.74**	**337.71**	**86.45**	**24.02**	**300.51**	**12.51**	**8,470.11**	**314.87**
Balance as at 30 June 2019	**1,100.41**	**5,393.40**	**1,156.94**	**27.21**	**334.75**	**82.30**	**24.35**	**296.18**	**11.86**	**8,427.40**	**348.32**

a) Gross block of buildings include cost of construction of INR 9.53 million (31 March 2019 : INR. 9.53 million) (31 March 2018 : INR. 9.53 million) (31 March 2017 : INR 9.53 million) in other area. It also included certain portion of a building given under operating lease, the particulars are given below:

Particulars	**As on 30 June 2019**	**As on 31 March 2019**	**As on 31 March 2018**	**As on 31 March 2017**
Gross block	43.51	43.51	43.51	43.51
Accumulated depreciation	4.62	4.44	3.68	2.54
Net block	38.89	39.07	39.83	40.97

Refer Annexure XXXIX for information of property plant equipment given under operating lease.

b) **Assets not held in the name of parent Company**
Title deeds of the immovable properties included in above aggregating to INR 249.90 million (31 March 2019 : INR 249.90 million) (31 March 2018 : INR 342.85 million) (31 March 2017 : INR 356.11 million) are in the name of Gemini Hotels and Holdings Limited (GHHL)/New Bombay Park Hotels Private Limited (NBPHPL)/Andhra Hotels Private Limited (AHPL) on account of amalgamation and merger in previous years. The name change in such title deeds is in process.

c) **Contractual obligation :** refer Annexure XXXVI for disclosure of contractual commitment for acquisition of property, plant and equipment.
d) Capital work in progress: Capital work in progress comprises of expenditure INR 348.32 million (31 March 2019 : INR 314.87 million) (31 March 2018 : INR 233.76 million) (31 March 2017 INR 294.30 million) under course of construction and installation .
e) **Property plant and equipment pledged as security:** Refer Annexure XXXXVI for information of property plant and equipment pledged as a security for borrowing by parent Company**.**
f) No borrowing cost has been capitalised during the any of the period/years ended June 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017.

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Annexure VII B

Restated Ind AS Consolidated Summary Statement of right of use asset

Particulars	Land #	Building*	Total
Deemed cost (gross carrying amount)			
Balance as at 1 April 2016	**2,288.81**	**15.15**	**2,303.96**
Add : Additions	-	8.42	8.42
Balance as at 31 March 2017	**2,288.81**	**23.57**	**2,312.38**
Add : Additions	-	1.38	1.38
Balance as at 31 March 2018	**2,288.81**	**24.95**	**2,313.76**
Add : Additions	-	73.49	73.49
Balance as at 31 March 2019	**2,288.81**	**98.44**	**2,387.25**
Add : Additions	-	6.79	6.79
Balance as at 30 June 2019	**2,288.81**	**105.23**	**2,394.04**
Accumulated depreciation			
Balance as at 1 April 2016	**22.09**	**-**	**22.09**
Add : Depreciation for the year	22.14	5.09	27.23
Balance as at 31 March 2017	**44.23**	**5.09**	**49.32**
Add : Depreciation for the year	22.14	5.82	27.96
Balance as at 31 March 2018	**66.37**	**10.91**	**77.28**
Add : Depreciation for the year	22.16	8.04	30.20
Balance as at 31 March 2019	**88.53**	**18.95**	**107.48**
Add : Depreciation for the period	5.74	3.49	9.23
Balance as at 30 June 2019	**94.27**	**22.44**	**116.71**
Net block			
Balance as at 31 March 2017	**2,244.58**	**18.48**	**2,263.06**
Balance as at 31 March 2018	**2,222.44**	**14.04**	**2,236.48**
Balance as at 31 March 2019	**2,200.28**	**79.49**	**2,279.77**
Balance as at 30 June 2019	**2,194.54**	**82.79**	**2,277.33**

* Building includes guest houses, restaurant premises, club and shop.
# Land includes unamortised perpetual leasehold rights.

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Annexure VIII
Restated Ind AS Consolidated Summary Statement of intangible assets

Particulars	Computer softwares - (acquired)	Computer softwares - (design)	Total
Deemed cost (gross carrying amount)			
Balance as at 1 April 2016	16.56	8.67	25.23
Add : Additions	9.01	-	9.01
Balance as at 1 April 2017	**25.57**	**8.67**	**34.24**
Add : Additions	12.07	-	12.07
Balance as at 31 March 2018	**37.64**	**8.67**	**46.31**
Add : Additions	15.90	-	15.90
Balance as at 31 March 2019	**53.54**	**8.67**	**62.21**
Add : Additions	0.80	-	0.80
Balance as at 30 June 2019	**54.34**	**8.67**	**63.01**
Accumulated amortisation			
Balance as at 1 April 2016	6.89	-	6.89
Add : Amortisation for the year	6.48	-	6.48
Balance as at 1 April 2017	**13.37**	**-**	**13.37**
Add : Amortisation for the year	8.54	-	8.54
Balance as at 31 March 2018	**21.91**	**-**	**21.91**
Add : Amortisation for the year	9.22	-	9.22
Balance as at 31 March 2019	**31.13**	**-**	**31.13**
Add : Amortisation for the period	2.60	-	2.60
Balance as at 30 June 2019	**33.73**	**-**	**33.73**
Net block			
Balances as at 31 March 2017	**12.20**	**8.67**	**20.87**
Balances as at 31 March 2018	**15.73**	**8.67**	**24.40**
Balance as at 31 March 2019	**22.41**	**8.67**	**31.08**
Balance as at 30 June 2019	**20.61**	**8.67**	**29.28**

(All amounts in INR million, unless otherwise stated)

Annexure IX
Restated Ind AS Consolidated Summary Statement of investment in joint venture

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Investment in equity instruments of joint venture				
Nil equity shares (31 March 2019 - Nil) (31 March 2018- 400) (31 March, 2017- 400) of Euro 1 each fully paid up in Apeejay Hotels (Panama) Inc ^	-	-	30.17	5.60
Total	**-**	**-**	**30.17**	**5.60**

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

Annexure X
Restated Ind AS Consolidated Summary Statement of non current financial assets

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
A) Investments				
[At fair value through Profit and Loss (FVTPL)]- quoted				
Nil equity shares (31 March 2019 - Nil) (31 March 2018 - 5,625) (31 March, 2017- 5,625) of INR 30 each fully paid up in Tulsyan NEC Limited	-	-	*	0.07
Aggregate amount of quoted investments	-	-	-	0.07
Aggregate amount of market value of quoted investments	*	*	0.07	0.07
[At fair value through Profit and Loss (FVTPL)]- unquoted				
10 equity shares (31 March 2019 - 10) (31 March 2018 - 10) (31 March 2017 - 10) of INR 10 each fully paid up in Artistery House Private Limited	*	*	*	*
9,000 equity shares (31 March 2019 - 9,000) (31 March 2018 - 9,000) (31 March, 2017 - 15,000) of INR 10 each fully paid up in Green Infra Wind Farms Limited	0.09	0.09	0.09	0.15
12,000 equity shares (31 March 2019 - 12,000) (31 March 2018 - 12,000) (31 March 2017- 12,000) of INR 10 each fully paid up in Green Infra Wind Generation Limited	0.12	0.12	0.12	0.12
Nil equity shares (31 March 2019 - Nil) (31 March 2018 - 12,000) (31 March 2017 - 12,000) of INR 10 each fully paid up in Green Infra Wind Power Generation Limited	-	-	0.12	0.12
Nil equity shares (31st March, 2019 - Nil) (31st March, 2018 - 867) (31 March 2017 - 867) of GBP 1 each fully paid up in Apeejay Tea (Panama) Inc #	*	*	*	*
Aggregate amount of unquoted investments	0.21	0.21	0.33	0.39
Total	**0.21**	**0.21**	**0.33**	**0.46**

On 27 March 2017, the parent Company has transferred 979 shares, out of the total holding of 1,846 shares in Apeejay Tea (Panama) Inc at GBP 1 (cost) to Apeejay Tea Limited as a result of which the investment of the Company in Apeejay Tea (Panama) Inc has decreased from 33.00% to 15.50%. Due to the aforesaid transaction during the year ended 31 March 2017, Apeejay Tea (Panama) Inc ceased to be a joint venture of the Group from the said date.
* Below rounding off norms

Note:
Investments at fair value through profit or loss (fully paid) reflect investment in unquoted equity shares. Refer Annexure XXXXII for determination of their fair values.

	As at 31 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
B) Loans				
(Unsecured, considered good unless other wise stated)				
Loan to a body corporate (credit impaired)	23.03	23.03	17.74	17.74
Less: allowance for credit impaired loan	(23.03)	(23.03)	(17.74)	(17.74)
Loans to employees	0.92	0.72	0.95	1.33
Security deposits	50.10	53.54	61.70	60.08
Total	**51.02**	**54.26**	**62.65**	**61.41**

No loans are due from directors or promoters of the parent Company either severally or jointly with any person.

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
C) Other financial assets				
(Unsecured, considered good unless other wise stated)				
Derivative instruments not designated as hedges $				
Option and interest rate swaps	-	-	-	8.97
Margin money with banks (Annexure XIV C)	38.40	37.89	35.60	23.77
Total	**38.40**	**37.89**	**35.60**	**32.74**

$ Financial assets carried at fair value through statement of profit and loss.

Annexure XI
Restated Ind AS Consolidated Summary Statement of non-current tax assets (net)

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Advance income-tax	28.74	20.50	111.50	96.82
[net of provision INR 72.60 million (31 March 2019: INR 70.40 million) (31 March 2018: INR 66.10 million) (31 March 2017: INR 46.40 million)]				
Total	**28.74**	**20.50**	**111.50**	**96.82**

Annexure XII
Restated Ind AS Consolidated Summary Statement of other non-current assets

(Unsecured, considered good unless other wise stated)	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Capital advances	46.80	44.01	32.30	145.15
Advance to suppliers				
Credit impaired	8.10	8.06	8.06	8.06
Less: allowance for credit impaired advances	(8.10)	(8.06)	(8.06)	(8.06)
Others				
Deferred staff cost	0.10	0.16	0.19	0.24
Balance with government authorities	82.95	82.95	84.50	63.25
Prepaid expenses	3.90	3.88	4.56	2.03
Total	**133.75**	**131.00**	**121.55**	**210.67**

Annexure XIII
Restated Ind AS Consolidated Summary Statement of inventories

(at lower of cost or net realisable value)	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Provisions, beverages (excluding wines and liquor) and smokes	9.36	10.29	14.98	14.39
Wines and liquor	75.89	88.26	111.04	74.77
Crockery, cutlery, glassware, linen, etc.	16.00	16.66	17.91	18.96
Stores and spares parts	25.33	24.47	24.92	36.42
Total	**126.58**	**139.68**	**168.85**	**144.54**

Annexure XIV
Restated Ind AS Consolidated Summary Statement of current financial assets

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
A) Trade receivables				
(Unsecured)				
Due from related parties (Refer Annexure XXXVIII)	-	-	0.09	0.06
Others	279.25	271.15	271.61	267.85
Total	**279.25**	**271.15**	**271.70**	**267.91**
Break up is as under:				
Unsecured, considered good	279.25	271.15	271.70	267.91
Trade receivables - credit impaired	78.46	89.42	64.40	56.02
	357.71	**360.57**	**336.10**	**323.93**
Impairment allowance for trade receivables considered doubtful				
Trade receivables -credit impaired	(78.46)	(89.42)	(64.40)	(56.02)
Total	**279.25**	**271.15**	**271.70**	**267.91**

Trade receivables are non interest bearing and generally on terms of 60 to 90 days.
Trade receivables have been pledged as a security for borrowing, refer Annexure XIX & XXII for details.
No trade receivables are due from directors or other officers of the parent Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(All amounts in INR million, unless otherwise stated)

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
B) Cash and cash equivalents				
Cash on hand*	20.73	18.38	13.65	17.04
Cheques on hand	4.35	4.18	3.87	0.98
Balances with banks:				
- On current accounts #	44.50	17.16	60.86	12.11
- Deposits with original maturity of less than three months	2.90	-	0.16	0.15
Total	**72.48**	**39.72**	**78.54**	**30.28**

Includes corporate credit card.
* Cash on hand includes credit card charge slips and foreign currency on hand.
There is no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting periods.

Pursuant to IND AS7, changes in financial activity for the period/years ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017 are as follows:

Particulars	1 April 2019	Cash flows	Exchange differences	EIR adjustment	Others	30 June 2019
Non current borrowings	3,891.28	(45.40)	(1.90)	1.93	(9.73)	3,836.18
Current maturities of long term borrowings	440.76	-	-	-	9.73	450.49
Current borrowings	521.82	152.84	-	-	(0.03)	674.63
Total liabilities from financing activities	**4,853.86**	**107.44**	**(1.90)**	**1.93**	**(0.03)**	**4,961.30**

Particulars	1 April 2018	Cash flows	Exchange differences	EIR adjustment	Others	31 March 2019
Non current borrowings	3,838.15	493.89	-	-	(440.76)	3,891.28
Current maturities of long term borrowings	374.74	(374.74)	-	-	440.76	440.76
Current borrowings	554.89	(33.07)	-	-	-	521.82
Total liabilities from financing activities	**4,767.78**	**86.08**	**-**	**-**	**-**	**4,853.86**

Particulars	1 April 2017	Cash flows	Exchange differences	EIR adjustment	Others	31 March 2018
Non current borrowings	3,794.07	418.73	-	0.05	(374.70)	3,838.15
Current maturities of long term borrowings	312.63	(312.63)	-	0.04	374.70	374.74
Current borrowings	417.45	137.45	-	-	(0.01)	554.89
Total liabilities from financing activities	**4,524.15**	**243.55**	**-**	**0.09**	**(0.01)**	**4,767.78**

Particulars	1 April 2016	Cash flows	Exchange differences	EIR adjustment	Others	31 March, 2017
Non current borrowings	3,318.83	495.20	(19.96)	-	-	3,794.07
Current maturities of long term borrowings	421.58	(108.90)	-	-	(0.05)	312.63
Current borrowings	789.65	(372.15)	-	-	(0.05)	417.45
Total liabilities from financing activities	**4,530.06**	**14.15**	**(19.96)**	**-**	**(0.10)**	**4,524.15**

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
C) Bank balance other than included in cash and cash equivalents above				
Bank deposits with original maturity of more than 3 months and remaining maturity less than 12 months	41.32	40.81	38.46	27.67
Less: margin money with bank (Refer Annexure X C)	38.40	37.89	35.60	23.77
Total	**2.92**	**2.92**	**2.86**	**3.90**

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
D) Loans				
(Unsecured, considered good unless other wise stated)				
Loan to a body corporate	354.00	216.37	-	220.00
Loan to employees	1.20	1.05	1.18	2.28
Security deposits	9.85	5.30	3.70	61.47
Total	**365.05**	**222.72**	**4.88**	**283.75**

Loans to body corporate carries interest at rate of 10% per annum.

	As at 30 June 2019		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
E) Other financial assets								
(Unsecured considered good, unless otherwise stated)								
Miscellaneous receivable		67.30		46.54		94.00		31.01
Interest accrued on deposits and loans								
Considered good		38.02		52.46		1.50		16.20
Credit impaired	13.34		13.34		13.34		10.67	
Less: Allowance for credit impaired receivables	(13.34)	-	(13.34)	-	(13.34)	-	(10.67)	-
Total	**-**	**105.32**		**99.00**		**95.50**		**47.21**

Annexure XV
Restated Ind AS Consolidated Summary Statement of current tax assets (net)

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Advance income-tax	25.64	70.25	-	-
[Net of provision INR 2.50 million (31 March 2019: INR 17.70 million) (31 March 2018: Nil) (31 March 2017: Nil)]				
Total	**25.64**	**70.25**	**-**	**-**

Annexure XVI
Restated Ind AS Consolidated Summary Statement of other current assets

	As at 30 June 2019		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
Unsecured considered good, unless otherwise stated								
Advance to related parties (refer Annexure XXXVIII)		0.44		0.44		0.44		1.31
Advances to suppliers								
Considered good		35.70		37.75		54.70		65.83
Credit impaired	3.00		1.90		2.84		2.84	
Less: allowance for credit impaired advances	(3.00)	-	(1.90)	-	(2.84)	-	(2.84)	-
Advance to employees								
Considered good		0.84		2.71		1.69		1.72
Credit impaired	8.46		8.46		8.46		8.46	
Less: allowance for credit impaired advances	(8.46)	-	(8.46)	-	(8.46)	-	(8.46)	-
Insurance claim receivable		28.00		-		1.20		-
Prepaid expenses		84.70		77.92		66.16		56.88
Accrued duty exemption benefit *		32.35		34.85		33.07		51.78
Deferred staff cost		0.20		0.15		0.18		0.25
Balances with government authorities **								
Considered good		15.82		14.20		10.90		71.08
Considered doubtful	0.83		0.83		0.83		0.83	
Less: allowance for credit impaired advances	(0.83)	-	(0.83)	-	(0.83)	-	(0.83)	-
Total		**198.05**		**168.02**		**168.34**		**248.85**

* Accrued duty exemption benefit consist of amounts receivable towards Served From India Scheme (SFIS) on account of free foreign exchange earned during the period.
** Includes amounts realisable from relevant authorities in respect of excise, service tax, goods and service tax (GST) and value added tax. These are generally realised within one year or regularly utilised to offset the service tax liability / GST liability / value added tax liability of the Group. Accordingly, these balances have been classified as current assets.

Annexure XVII
Restated Ind AS Consolidated Summary Statement of equity share capital

(A) Authorised equity share capital:
(Equity shares of INR 10 each)

	Equity shares	
	Number of shares in million	Amount in INR million
As at 1 April 2016	20.00	200.00
Changes during the year	-	-
As at 31 March 2017	20.00	200.00
Changes during the year	-	-
As at 31 March 2018	20.00	200.00
Changes during the year	-	-
As at 31 March 2019	20.00	200.00
Changes during the period	-	-
As at 30 June 2019	20.00	200.00

(B) Issued, subscribed and fully paid-up shares
(Equity shares of INR 10 each)

	Number of shares in million	Amount in INR million
As at 1 April 2016	18.88	188.82
Changes during the year	-	-
As at 31 March 2017	**18.88**	**188.82**
Changes during the year	(1.41)	(14.16)
As at 31 March 2018	**17.47**	**174.66**
Changes during the year	-	-
As at 31 March 2019	**17.47**	**174.66**
Changes during the period	-	-
As at 30 June 2019	**17.47**	**174.66**

(C) Terms and rights attached to equity shares
The parent Company has only one class of equity shares referred to as equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The parent Company declares and pays dividend in Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the parent Company, the holders of equity shares will be entitled to receive remaining assets of the parent Company, after distribution of all preferential amounts if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 30 June, 2019		As at 31 March, 2019		As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	%	Number of shares held	%	Number of shares held	%	Number of shares held	%
Flurrys Swiss Confectionary Private Limited	52,50,000	30.06%	52,50,000	30.06%	52,50,000	30.06%	52,50,000	27.80%
Apeejay Private Limited	34,49,750	19.75%	34,49,750	19.75%	34,49,750	19.75%	34,49,750	18.27%
Apeejay Surrendra Trust	30,00,240	17.18%	30,00,240	17.18%	30,00,240	17.18%	30,00,240	15.89%
Apeejay Engineering Private Limited	14,50,000	8.30%	14,50,000	8.30%	14,50,000	8.30%	14,50,000	7.68%
Apeejay Agencies Private Limited	14,50,000	8.30%	14,50,000	8.30%	14,50,000	8.30%	14,50,000	7.68%
Apeejay House Private Limited	14,50,000	8.30%	14,50,000	8.30%	14,50,000	8.30%	14,50,000	7.68%
REFS Park Hotel Investors Limited	-	-	-	-	-	-	14,16,177	7.50%
RECP IV Park Hotel Investors Limited	13,66,610	7.82%	13,66,610	7.82%	13,66,610	7.82%	13,66,610	7.24%

As per records of the Group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(E) Shares held by an investing party in respect of which the parent Company is an associate
Out of equity shares issued by the parent Company, shares held by the investing party in respect of which the parent Company is an associate are as below

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Flurys Swiss Confectionary Private Limited				
52,50,000 equity shares (31 March 2019 : 52,50,000 equity shares) (31 March 2018 : 52,50,000) (31 March 2017 : 52,50,000) at INR 10 each	52.50	52.50	52.50	52.50

(F) Aggregate number of equity shares bought back during the period of five years immediately preceding the reporting date
During the year ended March 31, 2018, the 14,16,177 equity shares were bought back by the parent Company.

Annexure XVIII
Restated Ind AS Consolidated Summary Statement of other equity

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
(A) Capital reserve	14.06	14.06	14.06	*
(B) Securities premium	1,838.12	1,838.12	1,838.12	2,138.68
(C) General reserve	787.39	787.39	787.39	801.45
(D) Retained earnings	3,035.45	3,059.18	2,971.93	3,055.18
(E) Foreign currency translation reserve	-	-	27.35	3.46
Total	**5,675.02**	**5,698.75**	**5,638.85**	**5,998.77**
Movement in other equity during the period:				
Capital reserve				
Balance at the beginning of the period	14.06	14.06	*	*
Add: Transferred from general reserve on account of buy back of shares	-	-	14.06	-
Balance at the end of the period	14.06	14.06	14.06	*
Securities premium				
Balance at the beginning of the period	1,838.12	1,838.12	2,138.68	2,138.68
Less: Adjusted for buy back of shares	-	-	300.56	-
Balance at the end of the period	1,838.12	1,838.12	1,838.12	2,138.68
General reserve				
Balance at the beginning of the period	787.39	787.39	801.45	801.45
Less: Transferred to capital reserve on account of buy back of shares	-	-	14.06	-
Balance at the end of the period	787.39	787.39	787.39	801.45
Retained earnings			-	
Balance as at the beginning of the period	3,059.18	2,971.93	3,055.18	2,960.90
Total comprehensive income recognised for the period	(18.06)	97.51	(79.68)	102.77
Items of other comprehensive income recognised directly in retained earnings				
- Remeasurements losses on defined benefit obligations, net of tax	(5.67)	(10.26)	(3.57)	(8.49)
Balance at the end of the period	3,035.45	3,059.18	2,971.93	3,055.18
Foreign currency translation reserve				
Balance as at the beginning of the period	-	27.35	3.46	16.39
Add/(Less): other comprehensive income for the period	-	(27.35)	23.89	(12.93)
Balance at the end of the period	-	-	27.35	3.46
Total	**5,675.02**	**5,698.75**	**5,638.85**	**5,998.77**

Nature and purpose of reserves
Capital reserve
Capital reserve represents amount arisen pursuant to Scheme of Amalgamation and on account of buy back of shares.
Securities premium
Securities premium represents the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of Companies Act 2013 .
General reserve
General reserve represents a free reserve not held for any specific purpose.
Retained earnings
Retained earnings are the profits that the Group has earned till date, less any transfer to general reserve, appropriation towards dividends or other distributions paid to shareholders, as applicable.
Foreign currency translation reserve
Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

* Below rounding off norms

(All amounts in INR million, unless otherwise stated)

Annexure XIX

Restated Ind AS Consolidated Summary Statement of non-current financial liabilities

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
A) Borrowings #				
Secured term loans				
From banks				
Rupee loans	3,486.18	3,547.36	3,297.47	3,134.73
Foreign currency loans	342.50	343.92	540.68	659.34
From others				
Rupee loans	7.50	-	-	-
Total	**3,836.18**	**3,891.28**	**3,838.15**	**3,794.07**

Net of EIR adjustment of INR 23.41 million (31 March 2019 INR 24.89 million) (31 March 2018 INR 18.70 million) (31 March 2017 INR 29.00 million)

Repayment terms and security disclosure for outstanding long term borrowings

(i) Rupee loan from a bank amounting to INR 1,000.00 Million (31 March 2019 - INR 1,000.00 Million) (31 March 2018 - INR 1,000.00 Million) (31 March 2017 - INR 1,000.00 Million) secured by way of equitable mortgage by deposit of title deed of immovable property of the parent Company situated at Hyderabad as first charge and also to be secured by way of hypothecation by way of first charge on the entire movable fixed assets situated at Hyderabad, both present and future, ranking pari passu with other banks for their loans. Such loan is repayable from September 30, 2022 with
- first installment of INR 31.11 million followed by
- 21 equal quarterly installments of INR 38.74 million and
- 4 equal quarterly installments of INR 38.85 million.

(ii) Rupee Loan from a bank amounting to INR 483.75 million (31 March 2019 - INR 490.00 million) (31 March 2018 - INR 495.00 million) (31 March 2017 - INR 500.00 million) secured by way of equitable mortgage by deposit of title deed of immovable property of the parent Company situated at Hyderabad as first charge and also to be secured by way of hypothecation by way of first charge on the entire movable fixed assets situated at Hyderabad, both present and future, ranking pari passu with other banks for their loans. Such loan (original amount being Rs. 500 million) is repayable in
- 8 equal quarterly installments of INR 1.25 million starting from June 30, 2017, followed by
- 4 equal quarterly installments of INR 6.25 million,
- 32 equal quarterly installments of INR 12.91 million and
- 4 equal quarterly installments of INR 12.95 million.

(iii) Rupee loan from a bank amounting to INR 760.00 million (31 March 2019 - INR 790.00 million) (31 March 2018 - INR 910.00 million) (31 March 2017 - INR 1,000.00 million) is secured by way of mortgage by deposit of title deed of immovable property of the parent Company situated at Kolkata as first charge ranking pari passu with other banks for their loans. Such loan (original amount being INR. 1,000.00 Million) is repayable starting 13 August, 2017 in
- 8 quarterly installments of INR 30.00 million, followed by
- 12 quarterly installments of INR 35.00 million,
- 8 quarterly installments of INR 37.50 million and
- 1 installment of INR 40.00 million on 13th August, 2024.

(iv) Rupee loan from a bank amounting to INR 720.00 Million (31 March 2019 - INR 730.00 Million) (31 March 2018 - INR 750.00 Million) (31 March 2017 - INR 750.00 Million) is secured by way of mortgage by deposit of title deed of immovable property of the parent Company situated at Kolkata as first charge ranking pari passu with other banks for their loans. Such loan (original amount being INR 750.00 Million) is repayable starting 20 December 2018 in
- 8 quarterly installments of INR 10.00 million, followed by
- 4 installments of INR 15.00 million,
- 8 installments of INR 30.00 million,
- 8 installments of INR 40.00 million and
- 1 installment of INR 50.00 million.

(v) Rupee loan from a bank amounting to INR 750.00 million (31 March 2019 - INR 750.00 million) (31 March 2018 - INR 300.00 million) (31 March 2017 - Nil) is secured by way of Mortgage by deposit of title deed of immovable property of the parent Company situated at Kolkata as first charge ranking pari passu with other banks for their loans. Such loan is repayable starting 31 May 2020 in
- 12 quarterly installments of Rs. 1.88 million, followed by
- 4 installments of INR 9.38 million,
- 4 installments of INR 22.50 million,
- 8 installments of INR 52.50 million and
- 3 installment of INR 60.00 million.

(vi) Foreign currency loan from a bank amounting to INR 573.10 million (31 March 2019 - INR. 574.98 million) (31 March 2018 - INR 756.94 million) (31 March 2017 - Nil) is secured by hypothecation by way of first and exclusive charge for their loan on all the current assets and movable fixed assets, both present and future, of the parent Company's unit situated at Bangalore and by way of equitable mortgage for their loan by deposit of title deeds of immovable property of the parent Company situated at Bangalore. Such loan is repayable in 8 half yearly installments starting from February 28, 2018, all installments being of USD 1.66 million (original amount being USD 13.28 million).

Foreign currency loan from a bank amounting to Nil (31 March 2019 - Nil) (31 March 2018 - Nil) (31 March 2017 - INR 866.10 million) was secured by hypothecation by way of first and exclusive charge on all the current assets and movable fixed assets, both present and future, of the parent Company's unit situated at Bangalore and by way of equitable mortgage by deposit of title deeds of immovable property of the parent Company situated at Bangalore. Such loan was repayable in 28 quarterly installments starting from August 26, 2014, 27 installments being of USD 785,714 and the 28th installment being of USD 785,722 (Original amount being USD 22.00 million). The loan was fully repaid by 2017-18.

(vii) Vehicle loans aggregating INR 15.73 million (31 March 2019 - INR 21.95 million) (31 March 2018 - INR 19.64 million) (31 March 2017 - INR 19.60 million) from banks are secured by way of hypothecation of vehicles financed. Repayable in monthly installments ranging between 36 and 60 numbers.

(viii) Rupee loan from others INR 7.50 million (31 March 2019 - Nil) (31 March 2018 - Nil) (31 March 2017 - Nil) is from Apeejay Private Limited and is repayable at the end of three years i.e. 1st April 2022 and carries an interest rate of 9% per annum.

(ix) Interest rates on rupee loans are varying in the range of 8% to 11% per annum. Interest rates on foreign currency loans are varying in the range of 2% to 5% margin on 3-6 month LIBOR.

(x) The amounts stated in footnotes (i) to (vii) above are inclusive of any amounts disclosed under current maturities of long term borrowings, if any.

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
B) Lease liabilities				
(Unsecured)				
Lease liabilities (non current portion)	71.44	65.94	8.87	14.11
Refer note a (ii) of Annexure XXXIX	**71.44**	**65.94**	**8.87**	**14.11**
Total				

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
C) Other financial labilities				
Security deposits received	0.30	0.27	0.27	0.27
Total	**0.30**	**0.27**	**0.27**	**0.27**

Annexure XX

Restated Ind AS Consolidated Summary Statement of other non-current liabilities

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Deferred government grants	-	-	106.89	237.70
Total	**-**	**-**	**106.89**	**237.70**

Annexure XXI

Restated Ind AS Consolidated Summary Statement of long term provisions

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits				
Gratuity (Refer Annexure XXXVII)	65.75	52.49	42.72	-
Total	**65.75**	**52.49**	**42.72**	**-**

Annexure XXII

Restated Ind AS Consolidated Summary Statement of current financial liabilities

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
A) Borrowings				
Secured				
Short term loans from banks				
Commercial paper *	-	-	-	300.00
Working capital loans from banks *	452.69	299.81	532.72	40.33
	452.69	**299.81**	**532.72**	**340.33**
Unsecured				
Working capital loans from banks	199.78	199.84	-	-
Intercorporate deposit (repayable on demand)	22.16	22.17	22.17	77.12
	221.94	**222.01**	**22.17**	**77.12**
Total	**674.63**	**521.82**	**554.89**	**417.45**

* Working capital loans and commercial paper are secured by first charge by way of hypothecation of stocks and book debts, both present and future, of the parent Company ranking pari passu where applicable, with the other lenders for their loans.
Interest rate on working capital loan from banks are varying in the range of 9% to 11% per annum.

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
B) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	**-**	**-**	**0.59**	**0.59**
Total outstanding dues other than micro enterprises and small enterprises				
Dues to third parties	451.53	424.58	318.84	455.38
Dues to related parties (refer Annexure XXXVIII)	6.50	6.90	4.53	5.85
	458.03	**431.48**	**323.37**	**461.23**
Total	**458.03**	**431.48**	**323.96**	**461.82**

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

(All amounts in INR million, unless otherwise stated)

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
C) Lease liabilities				
(Unsecured)				
Current maturities of lease liabilities	16.97	18.19	6.18	5.10
Total	**16.97**	**18.19**	**6.18**	**5.10**
Changes in liabilities arising from financing activities				
Beginning of the period / year	84.13	15.05	19.21	15.15
New leases *	6.79	73.49	1.26	8.42
Cash outflows	(2.51)	(4.41)	(5.42)	(4.36)
End of the period / year	**88.41**	**84.13**	**15.05**	**19.21**

Refer note a (ii) of Annexure XXXIX

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
D) Other financial liabilities				
Current maturities of long-term borrowings (refer Annexure XIX)	450.49	440.76	374.74	312.63
Interest accrued but not due	3.23	2.53	3.14	6.65
Book overdraft	22.05	6.51	6.22	-
Payable to capital vendors	40.81	37.14	28.63	18.72
Employee benefits payable	136.22	147.78	132.33	135.78
Payable to others	25.90	-	-	-
Financial guarantee obligation	-	-	0.53	-
Security deposits received	10.08	10.07	11.51	10.96
Total	**688.78**	**644.79**	**557.10**	**484.74**

Annexure XXIII
Restated Ind AS Consolidated Summary Statement of other current liabilities

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Statutory dues	99.33	102.30	73.27	71.11
Contract liabilities *	72.90	61.48	54.32	53.69
Deferred government grants	4.26	1.77	5.22	9.50
Total	**176.49**	**165.55**	**132.81**	**134.30**

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

Annexure XXIV
Restated Ind AS Consolidated Summary Statement of short term provisions

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits				
Gratuity (Refer Annexure XXXVII)	24.00	25.21	15.68	40.70
Leave benefits	36.55	38.25	33.65	29.21
Others				
Provision for entertainment tax	8.10	8.10	8.10	-
Total	**68.65**	**71.56**	**57.43**	**69.91**

Annexure XXV
Restated Ind AS Consolidated Summary Statement of current tax liabilities (net)

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Provision for income tax [Net of advance tax Nil (31 March 2019 : Nil) (31 March 2018: INR 0.10 million) (31 March 2017 : Nil)]	-	-	5.90	-
Total	**-**	**-**	**5.90**	**-**

(All amounts in INR million, unless otherwise stated)

Annexure XXVI
Restated Ind AS Consolidated Summary Statement of revenue from contracts with customers

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Room revenue	467.42	1,995.47	1,876.94	1,678.87
Sale of food and beverage	218.52	917.20	829.38	749.83
Sale of wine and liquor	188.28	872.37	691.20	630.00
Other ancillary and allied service income	46.54	198.58	206.00	305.70
	920.76	**3,983.62**	**3,603.52**	**3,364.40**
Other operating income				
Income from management fees	11.20	55.08	43.78	39.16
Shop rentals	5.68	22.70	22.70	22.70
Accrued duty exemption entitlement and other benefits	-	23.15	8.48	51.78
Income from government grant	-	106.89	130.85	-
Liabilities no longer required written back	0.30	8.61	8.34	-
Membership and subscription fees	1.90	12.86	11.17	15.50
	19.08	**229.29**	**225.32**	**129.14**
Total	**939.84**	**4,212.91**	**3,828.84**	**3,493.54**
Note A: Timing of revenue recognition				
Goods/service transferred at a point in time	472.42	2,217.44	1,951.90	1,814.67
Service transferred over a period of time	467.42	1,995.47	1,876.94	1,678.87
	939.84	**4,212.91**	**3,828.84**	**3,493.54**

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Note B: Contract balances				
Trade receivables	279.25	271.15	271.70	267.91
Contract liabilities	72.90	61.48	54.32	53.69
Movement of contract liabilities				
Amounts included in contract liabilities at the beginning of the period / year	61.48	54.32	53.69	54.50
Amount received during the period / year	470.40	1,116.30	1,068.10	1,117.10
Performance obligation satisfied in current period / year from opening balance	(19.50)	(37.31)	(36.90)	(50.70)
Performance obligation satisfied in current period / year from amount received in current period	(439.48)	(1,071.83)	(1,030.57)	(1,067.21)
Amounts included in contract liabilities at the end of the period / year	**72.90**	**61.48**	**54.32**	**53.69**

Contract liabilities relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group performs under the contract.

The Group does not have any significant adjustments between the contracted price and revenue recognised in the Statement of Profit and Loss.

Note C: Performance obligation

The performance obligation is satisfied and payment is due upon receipt of the service received by the customer. Transaction price allocated to performance obligation not satisfied or partially satisfied is INR 72.90 million (31 March 2019 : INR 61.48 million) (31 March 2018 : INR 54.32 million) (31 March 2017 : INR 53.69 million) . The same is expected to be recognised in one year.

Annexure XXVII
Restated Ind AS Consolidated Summary Statement of other income

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on advances, deposits and tax refunds	6.54	56.15	15.94	8.59
Commission	0.30	1.39	2.22	3.20
Rental income	1.73	5.28	7.19	7.20
Marked to market gain on financial instruments at fair value through profit and loss	-	-	-	20.61
Net gain on foreign currency translation	1.30	-	-	-
Provision for doubtful debts no longer required written back	15.22	4.96	0.66	0.17
Liabilities no longer required written back	-	-	-	13.31
Insurance claim	28.03	-	0.81	118.02
Interest income on deferred employee loan	*	-	-	0.28
Profit on sale of investment in joint venture	-	-	-	0.15
Miscellaneous income	4.25	28.81	28.20	41.16
Total	**57.37**	**96.59**	**55.02**	**212.69**

* Below rounding off norms

The classification of other income as recurring/non recurring and related/not related to business activity is based on the current operations and business activity as determined by the management.

Annexure XXVIII
Restated Ind AS Consolidated Summary Statement of consumption of provisions, beverages, wine/liquor and smokes

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
(a) Provisions, beverages (excluding wine and liquor) and smokes				
Inventory at the beginning of the period	10.29	14.98	14.39	15.21
Add: purchases during the period	97.10	432.53	416.88	377.46
	107.39	447.51	431.27	392.67
Less: inventory at the end of the period	9.36	10.29	14.98	14.39
	98.03	**437.22**	**416.29**	**378.28**
(b) Wine and liquor				
Inventory at the beginning of the period	88.26	111.04	74.77	62.68
Add: purchases during the period	42.40	227.00	216.68	197.57
	130.66	338.04	291.45	260.25
Less: inventory at the end of the period	75.89	88.26	111.04	74.77
	54.77	**249.78**	**180.41**	**185.48**
Total (a) + (b)	**152.80**	**687.00**	**596.70**	**563.76**

Annexure XXIX
Restated Ind AS Consolidated Summary Statement of employee benefits expenses

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	188.66	718.72	702.46	666.75
Contribution to provident and other funds	10.57	48.49	48.00	33.12
Gratuity expense (Refer Annexure XXXVII)	3.78	14.31	12.75	9.20
Staff welfare expenses	8.01	27.87	39.60	56.03
Total	**211.02**	**809.39**	**802.81**	**765.10**

Annexure XXX
Restated Ind AS Consolidated Summary Statement of finance costs

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on				
- borrowings from banks and others	114.85	494.16	416.76	438.72
- lease liabilities	1.98	2.93	1.56	1.85
- others	0.81	1.21	0.57	0.51
Total	**117.64**	**498.30**	**418.89**	**441.08**

Annexure XXXI

Restated Ind AS Consolidated Summary Statement of depreciation and amortization expenses

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment (refer Annexure VIIA)	66.49	270.45	269.64	241.22
Depreciation on right of use assets (refer Annexure VIB)	9.23	30.20	27.96	27.23
Amortisation of intangible assets (refer Annexure VIII)	2.60	9.22	8.54	6.48
Total	**78.32**	**309.87**	**306.14**	**274.93**

Annexure XXXII
Restated Ind AS Consolidated Summary Statement of other expenses

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	104.78	363.61	338.59	314.69
Rent	3.27	27.37	15.75	11.36
Rates and taxes	36.35	146.46	136.33	124.35
Insurance	6.38	26.76	29.49	25.90
Apartment expenses**	25.97	81.14	84.90	85.37
Outsourced contractual expenses	13.01	76.84	72.40	67.92
Guest supplies	11.33	48.86	52.34	53.68
Replacement of cutlery, crockery, glassware etc.	3.00	11.95	12.20	10.85
Advertisement and sales promotion	10.99	72.40	65.60	81.76
Commission	46.87	207.07	159.87	81.78
Repair and maintenance:				
Buildings	7.00	32.28	29.89	31.29
Plant and equipment	14.97	51.02	54.02	44.04
Others	14.20	48.39	58.52	54.59
Printing and stationery	3.63	18.00	21.68	17.24
Telephone and communication expenses	4.96	21.88	21.60	23.20
Legal and professional charges	26.34	94.27	53.00	72.57
Security charges	8.00	27.00	46.20	36.73
Travelling and conveyance	25.41	101.19	95.52	79.58
Loss on disposal / sale of tangible assets	0.38	15.58	11.85	0.37
Loss on sale of investment in joint venture	-	5.69	-	-
Bad Debts / advance written off	9.00	0.86	4.90	2.47
Allowance for credit impaired debts and advances / Provision for doubtful debts and advances	5.40	35.16	10.88	57.57
Net loss on foreign currency transaction	-	34.36	2.86	-
Royalty and management service fees	27.20	121.66	110.58	105.72
Strategic Advisory and Consultancy Fees	15.30	78.30	77.40	58.90
Fair value loss on financial assets (investments) at FVTPL	-	-	0.07	*
Payment to auditors (refer note below)	1.79	4.62	6.38	5.70
Miscellaneous expenses	40.89	132.95	120.20	155.89
Total	**466.42**	**1,885.67**	**1,693.02**	**1,603.52**

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

Note: Details of payment to auditors

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
- Audit fee, limited reviews and certificate	1.41	3.60	5.25	5.10
- Reimbursement of expenses	0.10	0.40	0.35	0.10
- Service tax/GST	0.28	0.62	0.78	0.50
	1.79	**4.62**	**6.38**	**5.70**

(All amounts in INR million, unless otherwise stated)

Annexure XXXIII
Restated Ind AS Consolidated Summary Statement of income taxes

(i) Deferred tax liabilities comprises:

	Balance sheet				Statement of profit and loss/OCI			
	As at 30 June 2019	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**	**Three months ended 30 June 2019**	**Year ended 31 March, 2019**	**Year ended 31 March, 2018**	**Year ended 31 March, 2017**
Deferred tax liabilities								
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1,185.32	1,202.50	1,167.77	746.59	(17.18)	34.73	421.18	(43.61)
Others	0.10	0.10	0.15	0.10	-	(0.05)	0.05	3.70
Gross deferred tax liabilities	**1,185.42**	**1,202.60**	**1,167.92**	**746.69**	**(17.18)**	**34.68**	**421.23**	**(39.91)**
Deferred tax asset								
Expense allowable in income tax on payment basis / others	76.61	89.54	91.62	41.46	(12.93)	(2.08)	50.16	5.67
Unabsorbed depreciation and carried forward losses	267.63	258.60	226.62	-	9.03	31.98	226.62	-
MAT credit entitlement *	239.47	239.47	210.30	190.41	-	29.17	19.89	20.40
Gross deferred tax assets	**583.70**	**587.61**	**528.54**	**231.87**	**(3.90)**	**59.07**	**296.67**	**26.07**
Deferred tax expense/(income)					**(13.27)**	**(24.39)**	**124.56**	**(65.98)**
Deferred tax liabilities (net)	**601.72**	**614.99**	**639.38**	**514.82**				

(ii) Reconciliation of deferred tax liabilities (net):

	Three months ended 30 June 2019	**Year ended 31 March, 2019**	**Year ended 31 March, 2018**	**Year ended 31 March, 2017**
At the beginning of the period/year	614.99	639.38	514.82	580.80
Tax expense/(credit) during the year recognised in statement of profit and loss	(10.67)	9.07	146.06	(41.79)
Tax income during the year recognised in OCI	(2.60)	(4.29)	(1.61)	(3.79)
MAT credit entitlement	-	(29.17)	(19.89)	(20.40)
At the end of the year	**601.72**	**614.99**	**639.38**	**514.82**

* The asset of INR 239.47 million (31 March 2019 : INR 239.47 million) (31 March 2018 : INR 210.30 million) (31 March 2017 : INR 190.41 Million) recognized by the Group as "MAT credit entitlement" represents the portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income tax Act, 1961.

		Three months ended 30 June 2019		**Year ended 31 March, 2019**		**Year ended 31 March, 2018**		**Year ended 31 March, 2017**
(i) The major components of income tax expense reported in statement of profit or loss comprise								
Current income tax	-		29.63		19.94		20.40	
Less: MAT credit entitlement	-	-	(29.17)	0.46	(19.89)	0.05	(20.40)	-
Adjustment of tax relating to earlier periods		-		15.42		-		-
Deferred tax charge / (credit)		(10.67)		9.07		146.06		(41.79)
Income tax expense/(credit) reported in the statement of profit and loss		**(10.67)**	**-**	**24.95**		**146.11**		**(41.79)**
(ii) OCI section - Deferred tax related to items recognised in OCI during in the year								
Re-measurements losses on defined benefit obligations		(2.60)		(4.29)		(1.61)		(3.79)
Income tax (credit) reported in OCI		**(2.60)**	**-**	**(4.29)**		**(1.61)**		**(3.79)**

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

	Three months ended 30 June 2019	**Year ended 31 March, 2019**	**Year ended 31 March, 2018**	**Year ended 31 March, 2017**
Profit/(loss) before tax	(28.99)	122.11	67.12	61.40
OCI	(8.27)	(41.90)	18.71	(25.21)
Total	(37.26)	80.21	85.83	36.19
Statutory income tax rate of 31.20% (31 March 2019 : 31.20%) (31 March 2018 : 31.20%) (31 March 2017 : 30.90%)	(11.63)	25.03	26.78	11.18
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Tax effect of change in tax rate/other true up	(1.64)	(28.89)	111.02	(81.26)
Tax effect of expenses that are not deductible for tax purposes	-	9.10	6.70	24.50
Adjustment of tax relating to earlier periods	-	15.42	-	-
	(13.27)	**20.66**	**144.50**	**(45.58)**

* Below rounding off norms

Note: Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) issued subsequent to the Balance Sheet date, the tax rates have changed with effect from 1 April 2019 at 25%. The companies have been given option to pay tax at new rates with certain conditions or to pay tax at old/ existing rates. ASPHL's management has not planned for opting the new tax rate of 25%. Further, if those changes were announced on or before reporting date and the Company had opted for the new tax rate, deferred tax liability would have been reduced by INR 154.30 million (31 March 2019 : INR 132.90 million) and tax credit would have increased by equivalent amount.

In prior years, the parent Company had acquired certain parcel of lands aggregating to INR 1,487.00 million (31 March 2019 : INR 1,484.80 million) (31 March 2018 : INR 2,424.60 million) (31 March 2017: INR 2,424.60 million) for expanding its hotel business. Subsequently, the parent Company has been actively considering opportunities for development and sale of portions of each such land parcel. Pending a final decision on the extent to which each such land parcel may be used for purposes other than the parent Company's hotel business, management has considered it appropriate to recognise deferred tax asset aggregating INR 154.60 million (31 March 2018 : INR 154.40 million) (31 March 2018 : INR 166.10 million) (31 March 2017: INR 166.10 million) arising from difference between book values of those portions of land parcels that, based on managements best estimate which is reassessed at each reporting date, are likely to be used for purposes other than the parent Company's hotel business on aforesaid and their corresponding indexed costs for tax purposes.

(All amounts in INR million, unless otherwise stated)

Annexure XXXIV
Restated Ind AS Consolidated Summary of earnings per share (EPS)

		Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
	The following reflects the income and share data used in the basic and diluted EPS computations:				
	Computation of earnings per share				
(a)	(i) Number of equity shares at the beginning of the period #	17,46,61,760	17,46,61,760	18,88,23,530	18,88,23,530
	(ii) Number of equity shares at the end of the period #	17,46,61,760	17,46,61,760	17,46,61,760	18,88,23,530
	(iii) Weighted average number of equity shares at the end of the period #	17,46,61,760	17,46,61,760	18,46,93,014	18,88,23,530
	(iv) Face value of each equity share - INR #	1	1	1	1
(b)	Profit/(loss) after tax attributable to equity shareholders for basic and diluted EPS	(18.06)	97.51	(79.68)	102.77
(c)	Restated basic and diluted earnings per share [(b)/(a)(iii)] - INR #	(0.10)	0.56	(0.43)	0.54

*Basic EPS and diluted EPS for the three month period ended June 30, 2019 are not annualised.

Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of INR 10 each has been split into ten equity shares of face value of INR 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of INR10 each to 174,661,760 equity shares of face value of INR 1 each.

In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

Annexure XXXV
Restated Ind AS Consolidated Summary of Information relating to contingent liabilities (net of provision)

		As at 30 June 2019	As at 31 March 2019	As at 31 March, 2018	As at 31 March 2017
(a)	Claims against the Group not acknowledged as debt				
	Disputed tax and duty for which the Group has preferred appeals before appropriate authorities				
	Demand for land tax	3.11	2.98	2.52	2.52
	Demand for entertainment tax	8.06	8.06	8.06	118.21
	Demand for service tax	56.61	56.61	31.30	17.25
	Demand for property tax (refer note f below)	706.29	693.80	594.90	-
(b)	Guarantees				
	Bank guarantees given to customs and other authorities	17.80	17.80	12.80	5.33
	Corporate guarantee given by the Group on behalf of subsidiary	3.78	3.78	8.38	-

(c) In respect of the contingent liabilities mentioned in note (a) above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any. In respect of matters mentioned in note (b) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Group does not expect any reimbursements in respect of the above contingent liabilities.

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

(e) The parent Company had received a demand during the year 2012-13 amounting to INR 54.10 million from Land and Development Office (LDO), Ministry of Urban Development, Government of India, to regularise the alleged breaches relating to the property of New Delhi. This was the first time parent Company had received such demand letter despite regular/periodic inspection of the said property carried out by appropriate authority. Based on the communication received from LDO, the demand had been raised with retrospective effect from 1985. The parent Company has disputed the alleged claim and the matter is pending before LDO which is supported by a legal opinion obtained by the parent Company. Management believes that, the alleged demand is questionable, arbitrary and not tenable and is likely to be settled in favour of the parent Company. Accordingly, no provision in this regard has been taken considered necessary in these restated financial statements. Pending such reassessment, liability in this regard has been recognised based on management's best estimate of probable obligation.

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

Notwithstanding the aforesaid order, the KMC has continued to raise property tax demands in accordance with the order of the MC. Such additional demand raised on the parent Company aggregates INR 706.29 million as at June 30, 2019 (31 March 2019 : INR 693.80 million) (31 March 2018 : INR 594.90 million) (31 March 2017 : Nil). Management believes that it is probable that the matter will be decided in favour of the parent Company which is supported by a legal opinion obtained. Consequently, no further provision has been considered necessary in these restated financial statements in this regard.

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

Annexure XXXVI
Restated Ind AS Consolidated Summary of Information relating to commitments

		As at 30 June 2019	As at 31 March 2019	As at 31 March, 2018	As at 31 March 2017
(a)	Capital commitments				
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	343.15	319.92	113.24	124.49
(b)	Other commitments				
	Estimated amount of export obligation	2,150.53	2,151.87	2,169.27	2,240.00

(The parent Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of duty on an undertaking to fulfill the quantified export.)

(All amounts in INR million, unless otherwise stated)

Annexure XXXVII
Restated Ind AS Consolidated Statement of employee benefits

		Period ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
A	**Employee benefits**				
(a)	**Post employment benefit - defined contribution plan**				
	Amount recognised as expenses in statement of profit and loss as contribution towards provident and other funds	10.57	48.49	48.00	33.12

(b) Gratuity - defined benefit plan

The Group has a post employment defined benefit scheme in the form of gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the scheme, employees are entitled to gratuity benefits based on fifteen days salary (basic plus dearness allowance) for each completed year of service. The aforesaid benefit accrues on completion of five years of service. The Group's obligation towards such gratuity benefits are determined on the basis of actuarial valuation using Projected Unit Credit method of the Group's period end obligation under the scheme. Difference between the Group's obligation so determined and period end value of the assets of the related gratuity fund is recognised as charge for the period. The cost of providing benefits under this plan is determined on the basis of an actuarial valuation done.

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

The following table sets forth the particulars in respect of the aforesaid Gratuity Fund of the Group for the period/year ended 31 March 2017, 31 March 2018, 31 March, 2019 and 30 June 2019 :

	Present value of obligation	Fair value of plan assets	Net Amount
(i) Obligation as at 1st April 2016	**66.20**	**(46.60)**	**19.60**
Current service cost	8.10	(1.20)	6.90
Interest cost/income	4.60	(2.30)	2.30
Total amount recognised in the statement of profit or loss in employee benefits expenses	**12.70**	**(3.50)**	**9.20**
Remeasurements (gains)/losses recognised in other comprehensive income			
- Change in financial assumptions	2.70	-	2.70
- Experience variance (i.e. actual experience vs assumptions)	9.30	-	9.30
- Return on plan asset, excluding amount recognised in net interest expense	-	0.28	0.28
Total amount recognised in other comprehensive income	**12.00**	**0.28**	**12.28**
Contributions by employer	-	(0.38)	(0.38)
Benefits paid	(9.70)	9.70	-
Obligation as at 31st March 2017	**81.20**	**(40.50)**	**40.70**
(ii) Obligation as at 1st April 2017	**81.20**	**(40.50)**	**40.70**
Current service cost	8.70	(0.80)	7.90
Interest cost/income	7.15	(2.30)	4.85
Total amount recognised in the statement of profit or loss in employee benefits expenses	**15.85**	**(3.10)**	**12.75**
Remeasurements (gains)/losses recognised in other comprehensive income			
- Change in financial assumptions	(1.30)	-	(1.30)
- Experience variance (i.e. actual experience vs assumptions)	6.73	-	6.73
- Return on plan asset, excluding amount recognised in net interest expense	(1.25)	1.00	(0.25)
Total amount recognised in other comprehensive income	**4.18**	**1.00**	**5.18**
Contributions by employer	-	(0.23)	(0.23)
Benefits paid	(8.20)	8.20	-
Obligation as at 31st March 2018	**93.03**	**(34.63)**	**58.40**
(iii) Obligation as at 1st April 2018	**93.03**	**(34.63)**	**58.40**
Current service cost	9.50	-	9.50
Interest cost/income	7.51	(2.70)	4.81
Total amount recognised in the statement of profit or loss in employee benefits expenses	**17.01**	**(2.70)**	**14.31**
Remeasurements (gains)/losses recognised in other comprehensive income			
- Experience variance (i.e. actual experience vs assumptions)	11.80	-	11.80
- Return on plan asset, excluding amount recognised in net interest expense	-	2.75	2.75
Total amount recognised in other comprehensive income	**11.80**	**2.75**	**14.55**
Contributions by employer	-	(9.56)	(9.56)
Benefits paid	(16.76)	16.76	-
Obligation as at 31st March 2019	**105.08**	**(27.38)**	**77.70**
(iv) Obligation as at 1st April 2019	**105.08**	**(27.38)**	**77.70**
Current service cost	2.70	**-**	2.70
Interest cost/income	1.90	(0.82)	1.08
Total amount recognised in the statement of profit or loss in employee benefits expenses	**4.60**	**(0.82)**	**3.78**
Remeasurements (gains)/losses recognised in other comprehensive income			
- Change in financial assumptions	4.10	-	4.10
- Experience variance (i.e. actual experience vs assumptions)	6.20	-	6.20
- Return on plan asset, excluding amount recognised in net interest expense	(2.86)	0.83	(2.03)
Total amount recognised in other comprehensive income	**7.44**	**0.83**	**8.27**
Benefits paid	(4.30)	4.30	-
Obligation as at 30 June 2019	**112.82**	**(23.07)**	**89.75**

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

The net liability disclosed above relates to the aforesaid gratuity plan (funded) is as follows

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	Year ended 31 March 2017
Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:				
Present value of funded obligation at the end of the period	112.82	105.08	93.03	81.20
Fair value of plan assets at the end of the period	(23.07)	(27.38)	(34.63)	(40.50)
Net liability recognised in the balance sheet (current/non-current)	**89.75**	**77.70**	**58.40**	**40.70**

(v) Principal actuarial assumption used #

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Discount rates	7.70%	7.70%	7.70%	7.50%
Expected return on plan assets	5.00%	5.00%	8.00%	8.00%
Expected salary escalation	5.00%	5.00%	5.00%	5.00%
Inflation rate	5.00%	5.00%	5.00%	5.00%
Mortality rate during employment	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

\# (i) The actuarial valuation of the defined benefit obligation were carried out at each period end. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

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

Insurer managed funds	100%	100%	100%	100%

(vii) Category of plan assets

Fund with HDFC Standard Life	23.07	27.38	34.63	40.50

Maturity profile of defined benefit obligation

The contribution expected to be made by the Group for the year ending 31 March 2020 is INR 95.80 million.

The expected maturity analysis of undiscounted gratuity benefit is as follows

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 30 June 2019					
Defined benefit obligation	35.50	34.10	43.20	116.10	228.90
As at 31 March 2019					
Defined benefit obligation	33.90	33.30	35.10	110.50	212.80
As at 31 March 2018					
Defined benefit obligation	28.60	25.10	37.20	100.80	191.70
As at 31 March 2017					
Defined benefit obligation	23.30	21.80	32.10	90.31	167.51

(viii) Sensitivity analysis

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date. Sensitivity analysis is determined based on the expected movement in liability if the key assumptions were not proved to be true on different count.

Parent company	As at 30 June 2019		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	113.29	121.00	103.30	109.90	90.30	96.40	78.40	84.20
% change compared to base due to sensitivity	-2.66%	2.89%	-2.40%	2.61%	-5.56%	6.04%	-2.85%	3.10%
Salary growth rate (-/+ 0.5%)	121.04	113.22	109.90	103.20	96.50	90.20	84.20	78.40
% change compared to base due to sensitivity	2.92%	-2.71%	2.65%	-2.46%	6.14%	-5.69%	3.15%	-2.92%
Employee turnover rate (-/+ 10%)	116.98	117.02	106.50	106.50	93.20	93.20	81.10	80.80
% change compared to base due to sensitivity	*	-*	0.01%	-0.01%	-0.04%	0.04%	-0.04%	0.04%
Mortality rate (-/+ 10%)	117.03	116.97	106.50	106.40	93.30	93.20	81.00	80.50
% change compared to base due to sensitivity	0.02%	-0.02%	0.03%	-0.03%	0.07%	-0.07%	0.04%	-0.04%

* Below rounding off norms

Apeejay Hotels and Restaurant Private Limited	As at 30 June 2019		As at 31 March 2019		As at 31 March 2018 #		As at 31 March 2017 #	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	0.93	1.07	0.82	0.94	-	-	-	-
% change compared to base due to sensitivity	-6.70%	7.29%	-6.64%	7.20%	-	-	-	-
Salary growth rate (-/+ 0.5%)	1.07	0.93	0.94	0.82	-	-	-	-
% change compared to base due to sensitivity	7.37%	-6.84%	7.32%	-6.80%	-	-	-	-
Employee turnover rate (-/+ 10%)	1.00	0.99	0.88	0.88	-	-	-	-
% change compared to base due to sensitivity	0.02%	-0.02%	0.04%	-0.04%	-	-	-	-
Mortality rate (-/+ 10%)	1.00	0.99	0.88	0.88	-	-	-	-
% change compared to base due to sensitivity	0.06%	-0.06%	0.08%	-0.08%	-	-	-	-

\# Incorporated with effect from February 5, 2018

Apeejay Charter Private Limited	As at 30 June 2019		As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	0.23	0.19	0.18	0.14	0.12	0.09	0.01	0.01
Salary growth rate (-/+ 1%)	0.23	0.19	0.18	0.14	0.12	0.09	0.01	0.01
Employee turnover rate (-/+ 50%)	0.20	0.20	0.15	0.15	0.10	0.10	0.01	0.01
Mortality rate (-/+ 10%)	0.20	0.20	0.15	0.15	0.10	0.10	0.01	0.01

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

Risk associates with plan provisions

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

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

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

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

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

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

(All amounts in INR million, unless otherwise stated)

Annexure XXXVIII
Restated Ind AS Consolidated Statement of related party disclosures

Related party disclosures pursuant to Ind AS 24 read with the Regulations

(i)	**Related party**	**Relationship**
(a)	Apeejay Charter Private Limited	Subsidiary
	Apeejay Hotels and Restaurants Private Limited	Subsidiary (incorporated with effect from February 5, 2018)
(b)	Apeejay Tea (Panama) Inc. (up to 26th March, 2017)	Joint venture
	Apeejay Hotels (Panama) Inc. (up to March 27, 2019)	Joint venture
(c)	**Key management personnel**	**Relationship**
	Mr. Vijay Dewan	Managing Director
	Ms. Priya Paul	Non-executive Director
	Mr. Karan Paul	Non-executive Director
	Mr. Atul Khosla	Chief Financial Officer (with effect from 01.04.2017)
	Mr. Francis H Dyckman	Non-executive Director (upto 27.12.2017)
	Mr. Ashoke Ghosh	Non-executive Director
	Mr. Ashok Narain Mathur	Non-executive Director (upto 12.03.2018)
	Mr. Pranab Kumar Choudhary	Non-executive Director (upto 22.11.2016)
	Mr. Debanjan Mandal	Non-executive Director (with effect from 21.02.2017)
	Mr. Suresh Kumar	Independent Director (with effect from 29.03.2018)
	Ms. Shalini Keshan	Company Secretary (with effect from 01.04.2017)
(d)	**Other**	**Relationship**
	Flurys Swiss Confectionary Private Limited	Investing entity in respect of which the parent Company is an associate

(ii) **Particulars of transactions with related parties during the period**

	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
A) Investing party in respect of which the parent Company is an associate				
Flurys Swiss Confectionary Private Limited				
- Purchase of confectionery etc.	1.00	5.13	6.63	8.12
- Sale of services	0.10	0.21	0.23	0.19
- Royalty	-	*	0.07	0.10
- Recovery of expenses	-	0.86	0.93	-
- Reimbursement of expenses	0.10	0.62	1.16	0.40
B) Subsidiary company (Apeejay Charter Private Limited) #				
- Hiring charges	0.33	0.14	0.54	-
C) Subsidiary company (Apeejay Hotels and Restaurants Private Limited) #				
- Loan given	10.00	19.99	0.47	-
- Investment	-	-	0.10	-
D) Key management personnel of the Group				
- Managerial remuneration				
Mr. Vijay Dewan				
Short-term employment benefits	9.20	38.63	30.60	28.97
Post-employment gratuity and leave	0.30	1.15	1.27	4.83
Mr. Atul Khosla				
Short-term employment benefits	3.20	17.53	11.70	-
Post-employment gratuity and leave	0.40	1.54	1.33	-
Ms. Shalini Keshan				
Short-term employment benefits	0.44	1.60	1.60	-
Post-employment gratuity and leave	*	0.40	0.40	-
- Sitting fees				
Ms. Priya Paul	*	*	*	*
Mr. Karan Paul	*	*	*	*
Mr. Francis H Dyckman	-	-	*	*
Mr. Ashoke Ghosh	*	*	*	*
Mr. Suresh Kumar	*	*	*	-
Mr. Ashok Narain Mathur	-	-	*	0.05
Mr. Pranab Kumar Choudhury	-	-	-	0.06
Mr. Debanjan Mandal	*	*	*	*

(iii) **Balances outstanding with related parties as at the period end**

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March, 2017
A) Investing party in respect of which the parent Company is an associate				
Flurys Swiss Confectionary Private Limited				
Trade receivables	-	-	0.09	0.06
Advance to suppliers	0.44	0.44	0.44	1.31
Trade payables	6.50	6.90	4.53	5.85
B) Subsidiary company				
- Apeejay Charter Private Limited #				
Corporate guarantee	-	-	8.38	8.38
Investments	0.05	0.10	0.10	0.05
- Apeejay Hotels & Restaurants Private Limited #				
Loan given	0.10	19.99	-	-
Investments	29.92	0.10	0.10	-
Corporate guarantee	0.13	0.13	-	-
C) Joint venture #				
- Investments in Apeejay Tea (Panama) Inc (Upto March 27, 2019)	-	-	*	*

Included as per the Regulations
* Below rounding off norms

Annexure XXXIX
Restated Ind AS Consolidated Statement of lease commitments

(a) Group as a lessee

(i) The Group as a lessee has entered into various lease contracts, which includes lease of land, office space, club, restaurant and guest house. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Group also has certain leases of guest house with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the net carrying amounts of right of use assets recognised in balance sheet and movement during the period / year :

	Land #	Buildings*	Total
As at 1 April 2016	2,266.72	15.15	2,281.87
Additions	-	8.42	8.42
Depreciation	(22.14)	(5.09)	(27.23)
As at 31 March 2017	**2,244.58**	**18.48**	**2,263.06**
As at 1 April 2017	2,244.58	18.48	2,263.06
Additions	-	1.38	1.38
Depreciation	(22.14)	(5.82)	(27.96)
As at 31 March 2018	**2,222.44**	**14.04**	**2,236.48**
As at 1 April 2018	2,222.44	14.04	2,236.48
Additions	-	73.49	73.49
Depreciation	(22.16)	(8.04)	(30.20)
As at 31 March 2019	**2,200.28**	**79.49**	**2,279.77**
As at 1 April 2019	2,200.28	79.49	2,279.77
Additions	-	6.79	6.79
Depreciation	(5.74)	(3.49)	(9.23)
As at 30 June 2019	**2,194.54**	**82.79**	**2,277.33**

*Building includes guest houses, restaurant premises, club and shop.
Land includes unamortised perpetual leasehold rights.

(ii) Set out below are the carrying amounts of lease liabilities and movement during the period

	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Balance as at beginning of the period / year	84.13	15.05	19.21	15.15
Additions	6.79	73.49	1.26	8.42
Accretion of interest	1.98	2.93	1.56	1.85
Payments	(4.49)	(7.34)	(6.98)	(6.21)
Balance as at the end of the period / year	**88.41**	**84.13**	**15.05**	**19.21**
Current	**16.97**	**18.19**	**6.18**	**5.10**
Non-current	**71.44**	**65.94**	**8.87**	**14.11**

(iii) Amounts recognised in the statement of profit and loss

Particulars	Three months ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation expense of right-of-use assets (recognised in depreciation and amortization expenses)	9.23	30.20	27.96	27.23
Interest expense on lease liabilities (recognised in finance costs)	1.98	2.93	1.56	1.85
Variable lease payments (recognised in other expenses)	3.27	27.37	15.75	11.36
Total amount recognised in profit and loss for the period / year	**14.48**	**60.50**	**45.27**	**40.44**

(iv) Amount recognised in the restated statement of cash flows

Total cash outflow for the leases	(2.51)	(4.41)	(5.42)	(4.36)

(v) The Group had total cash outflows for leases for the quarter ended 30 June 2019 amounting to INR 4.49 million (31 March 2019 : INR 7.34 million) (31 March 2018 : INR 6.98 million) (31 March 2017 : INR 6.21 million).

(b) Group as a lessor

(i) The Group has given certain portion of a building in Hyderabad under cancellable operating lease. Tenure of such lease extends to 25 years with an option to renew it for a further period of 25 years. This lease agreement inter-alia includes escalation clauses to compensate for inflation, option for renewals etc. Lease income (rental and service charges) aggregating INR 5.21 Million (31 March 2019 : INR 20.90 million) (31 March 2018 : INR 20.90 million) (31 March 2017 : INR 22.40 million) has been recognized in the statement of profit and loss in keeping with lease arrangements.

(ii) The Group has entered into cancellable operating leases wherein some area of the properties have been leased for shops, towers, etc. Tenure of such leases is generally one year with an option for renewal. Lease income aggregating INR 1.70 million (31 March 2019 INR 5.30 million) (31 March 2018 : INR 7.19 million) (31 March 2017 : INR 7.20 million) has been recognized in the statement of profit and loss in keeping with lease arrangements.

(iii) The Group has given a certain portion of a building in Badarpur, New Delhi under cancellable operating lease. Tenure of such lease extends to 3 years with an option for renewal for two further tenure of three years each. This lease agreement inter-alia includes escalation clauses, option for renewals etc. Lease income (rental charges) aggregating INR 0.50 million (31 March 2019 : INR 1.78 million) (31 March 2018 : INR 1.80 million) (31 March, 2017: INR 0.30 million) has been recognized in the statement of profit and loss in keeping with lease arrangements.

Annexure XXXX
Restated Ind AS Consolidated Statement of CSR Expenditure

	Period ended 30 June 2019	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
(a) Gross amount required to be spent by the parent Company during the period / year	0.40	0.78	0.19	0.30
(b) Amount spent during the period / year on:				
Promoting art and artists	0.50	2.61	2.40	3.00

Annexure XXXXI
Restated Ind AS Consolidated Statement of Capital Management

For the purposes of the Group's capital management, capital includes issued capital, all other equity reserves and long term borrowed capital less reported cash and cash equivalents.
The primary objective of the Group's capital management is to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to maximise shareholder's value.
The Group's policy is to borrow primarily through banks to maintain sufficient liquidity. These borrowings, together with cash generated from operations are utilised for operations of the Group including periodic capital projects undertaken for the Group's existing projects. The Group monitors capital on the basis of cost of capital. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The following table summaries the capital of the Group:

Particulars	**As at 30 June 2019**	**As at 31 March 2019**	**As at 31 March 2018**	**As at 31 March 2017**
Non-current borrowings (including current maturities of long term borrowings)	4,286.67	4,332.04	4,212.89	4,106.70
Current borrowings	674.63	521.82	554.89	417.45
Less: cash and cash equivalents	(72.48)	(39.72)	(78.54)	(30.28)
TOTAL BORROWING (NET)	**4,888.82**	**4,814.14**	**4,689.24**	**4,493.87**
Total equity	5,850.80	5,874.79	5,815.24	6,188.63
TOTAL CAPITAL (EQUITY+ NET DEBT)	**10,739.62**	**10,688.93**	**10,504.48**	**10,682.50**
Gearing ratio	45.52%	45.04%	44.64%	42.07%

No changes were made to the objectives, policies or processes for managing capital during the period/year ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017.

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)
Annexure XXXXII
Restated Ind AS Consolidated Statement of Fair Value Measurements

(i) Financial Instruments by category

	As at 30 June 2019			As at 31 March 2019			As at 31 March 2018			As at 31 March 2017		
	FVTPL*	Amortised cost	Total	FVTPL*	Amortised cost	Total	FVTPL*	Amortised cost	Total	FVTPL*	Amortised cost	Total
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Financial assets												
Investments												
- Equity instruments	0.21	-	**0.21**	0.21	-	**0.21**	0.33	-	**0.33**	0.46	-	**0.46**
Trade receivables	-	279.25	**279.25**	-	271.15	**271.15**	-	271.70	**271.70**	-	267.91	**267.91**
Loans	-	356.12	**356.12**	-	218.14	**218.14**	-	2.13	**2.13**	-	223.61	**223.61**
Cash and cash equivalents	-	72.48	**72.48**	-	39.72	**39.72**	-	78.54	**78.54**	-	30.28	**30.28**
Bank balance other than included in cash and cash equivalents above	-	2.92	**2.92**	-	2.92	**2.92**	-	2.86	**2.86**	-	3.90	**3.90**
Security deposits	-	59.95	**59.95**	-	58.84	**58.84**	-	65.40	**65.40**	-	121.55	**121.55**
Other financial assets	-	143.72	**143.72**	-	136.89	**136.89**	-	131.10	**131.10**	8.97	70.98	**79.95**
Total	**0.21**	**914.44**	**914.65**	**0.21**	**727.66**	**727.87**	**0.33**	**551.73**	**552.06**	**9.43**	**718.23**	**727.66**
Financial liabilities												
Borrowings (current and non current)	-	4,510.81	**4,510.81**	-	4,413.10	**4,413.10**	-	4,393.04	**4,393.04**	-	4,211.52	**4,211.52**
Current maturities of long-term debt	-	450.49	**450.49**	-	440.76	**440.76**	-	374.74	**374.74**	-	312.63	**312.63**
Interest accrued but not due	-	3.23	**3.23**	-	2.53	**2.53**	-	3.14	**3.14**	-	6.65	**6.65**
Trade payables	-	458.03	**458.03**	-	431.48	**431.48**	-	323.96	**323.96**	-	461.82	**461.82**
Other financial liabilities/lease liabilities	-	323.77	**323.77**	-	285.90	**285.90**	-	194.54	**194.54**	-	184.94	**184.94**
Total	**-**	**5,746.33**	**5,746.33**	**-**	**5,573.77**	**5,573.77**	**-**	**5,289.42**	**5,289.42**	**-**	**5,177.56**	**5,177.56**

* Equity/derivative instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(ii) Fair value

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values.

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

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

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

(iv) Fair value hierarchy

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

	As at 30 June 2019			As at 31 March 2019			As at 31 March 2018			As at 31 March 2017			
	Level 1	Level 3	Total	Level 1	Level 3	Total	Level 1	Level 3	Total	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Financial assets													
Investments													
- Equity instruments/derivatives	-	0.21	**0.21**	-	0.21	**0.21**	-	0.33	**0.33**	0.07	8.97	0.39	**9.43**
Total	**-**	**0.21**	**0.21**	**-**	**0.21**	**0.21**	**-**	**0.33**	**0.33**	**0.07**	**8.97**	**0.39**	**9.43**

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities included in Level 3. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between Level 1, Level 2 or Level 3 fair value measurements during the period /year ended 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017.

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

Valuation inputs and relationship to fair value and valuation process

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

'- Investment in unquoted equity shares in Green Infra Wind Farms Limited, Green Infra Wind Generation Limited and Green Infra Wind Power Generation Limited amounting to INR 0.21 million (31 March 2019 - INR 0.21 million) (31 March 2018 - INR 0.33 million) (31 March 2017 - INR 0.39 million) are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.

' - Other investments are not material in nature.

(All amounts in INR million, unless otherwise stated)

Annexure XXXXIII
Restated Ind AS Consolidated Statement of Financial Risk Management

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

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

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

Credit risk management
(a) Trade receivables
Trade receivables consist of large number of customers, spread across geographical areas. In order to mitigate the risk of financial loss from defaulters, the Group has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Group does not allow any credit period and therefore, is not exposed to any credit risk.
In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due. The Group has a policy to provide for specific receivables which are overdue for a period over 180 days. On account of adoption of Ind AS 109, the Group also uses expected credit loss model to assess the impairment loss or reversal thereof.
Reconciliation of allowance for credit impaired trade receivables

Particulars	Three months ended 30 June 2019	Year ended		
		31 March 2019	31 March 2018	31 March 2017
Loss allowance at the beginning of the year	89.42	64.40	56.02	47.60
Change in allowance during the year	(10.96)	25.02	8.38	8.42
Loss allowance at the end of the year	78.46	89.42	64.40	56.02

(b) Financial assets (other than trade receivables) :
The Group maintains exposure in cash and cash equivalents, term deposits with banks etc. Investments of surplus are made within assigned credit limits with approved counterparties who meet the threshold requirements with respect to ratings, financial strength, credit spreads etc. Counterparty credit limits are set to minimize concentration risk and are reviewed on a periodic basis.

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

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

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are does not include contractual interest payments.

Contractual maturity of financial liabilities	Up to 1 year	1 year to 5 year	More than 5 years	Total
30 June 2019				
Borrowings (including current maturities)	1,125.12	2,485.48	1,350.70	4,961.30
Trade payables	458.03	-	-	458.03
Lease liabilities	16.97	43.90	27.54	88.41
Other financial liabilities	238.29	0.30	-	238.59
	1,838.41	**2,529.68**	**1,378.24**	**5,746.33**
31 March 2019				
Borrowings (including current maturities)	962.58	2,398.48	1,492.80	4,853.86
Trade payables	431.48	-	-	431.48
Lease liabilities	18.19	38.40	27.54	84.13
Other financial liabilities	204.03	0.27	-	204.30
	1,616.28	**2,437.15**	**1,520.34**	**5,573.77**
31 March 2018				
Borrowings (including current maturities)	929.63	2,224.35	1,613.80	4,767.78
Trade payables	323.96	-	-	323.96
Lease liabilities	6.18	8.87	-	15.05
Other financial liabilities	182.36	0.27	-	182.63
	1,442.13	**2,233.49**	**1,613.80**	**5,289.42**
31 March 2017				
Borrowings (including current maturities)	730.08	2,265.90	1,528.17	4,524.15
Trade payables	461.82	-	-	461.82
Lease liabilities	5.10	14.11	-	19.21
Other financial liabilities	172.11	0.27	-	172.38
	1,369.11	**2,280.28**	**1,528.17**	**5,177.56**

(All amounts in INR million, unless otherwise stated)

(C) Market risk

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

(I) Foreign currency risk

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

(a) Foreign currency risk exposure

	INR Equivalent of USD as at			
	30 June 2019	**31 March 2019**	**31 March 2018**	**31 March 2017**
Foreign currency loan payables	573.10	574.98	756.90	861.60
Forex structured option contracts	-	-	-	(288.70)
Net exposure to foreign currency risk	**573.10**	**574.98**	**756.90**	**572.90**

(b) Sensitivity

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Group's profit or loss before taxes:

	Impact on profit / (loss) before tax			
	30 June 2019	**31 March 2019**	**31 March 2018**	**31 March 2017**
USD sensitivity				
INR/USD - Increase by 5% *	(28.66)	(28.75)	(37.85)	(28.65)
INR/USD - Decrease by 5% *	28.66	28.75	37.85	28.65

(II) Interest rate risk

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

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

(a) Interest rate risk exposure

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

	As at			
	30 June 2019	**31 March 2019**	**31 March 2018**	**31 March 2017**
Total borrowings (including current maturities)				
Variable rate borrowings	4,765.40	4,700.80	4,720.20	4,087.10
Fixed rate borrowings	195.90	153.06	47.58	437.05
	4,961.30	4,853.86	4,767.78	4,524.15

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

	As at			
	30 June 2019	**31 March 2019**	**31 March 2018**	**31 March 2017**
	INR	**INR**	**INR**	**INR**
Variable rate borrowings	4,765.40	4,700.80	4,720.20	4,087.10
Interest rate swap (principal)	-	-	-	(866.10)
Net exposure to cash flow interest rate risk	4,765.40	4,700.80	4,720.20	3,221.00

(b) Sensitivity

	Impact on profit / (loss) before tax			
	30 June 2019	**31 March 2019**	**31 March 2018**	**31 March 2017**
USD sensitivity				
Interest Rates - Increase by 50 basis points (50 bps) *	(23.83)	(23.50)	(23.60)	(16.11)
Interest Rates - Decrease by 50 basis points (50 bps) *	23.83	23.50	23.60	16.11

* Holding all other variable constant

(All amounts in INR million, unless otherwise stated)

Annexure XXXXIV
Restated Ind AS Consolidated Statement of interest in other entities

(a) Subsidiaries

The Group's subsidiary at 30 June 2019, 31 March 2019, 31 March 2018 and 31 March 2017 is set out below. Unless otherwise stated, they have share capital consisting of equity shares and preference shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/Country of Incorporation	Principal Activities	Ownership Interest held by the Group				Ownership Interest held by the non-controlling interest			
			30 June 2019	31 March 2019	31 March 2018	31 March 2017	30 June 2019	31 March 2019	31 March 2018	31 March 2017
Apeejay Charter Private Limited	India	Hiring of yacht	52.00%	52.00%	52.00%	52.00%	48.00%	48.00%	48.00%	48.00%
Apeejay Hotels and Restaurants Private Limited #	India	Business of hotels and restaurants	100.00%	100.00%	100.00%	-	-	-	-	-

Incorporated with effect from February 5, 2018

(b)Set out below is summarised financial information of the subsidiaries:-

(i) Summarised Balance Sheet	Apeejay Hotels and Restaurants Private Limited				Apeejay Charter Private Limited			
	30 June 2019	31 March 2019	31 March 2018	31 March 2017	30 June 2019	31 March 2019	31 March 2018	31 March 2017
Current assets	32.40	12.94	0.10	-	10.20	10.09	8.42	5.00
Current liabilities	46.80	30.14	0.50	-	12.60	19.88	17.08	12.67
Net current liabilities	**(14.40)**	**(17.20)**	**(0.40)**	**-**	**(2.40)**	**(9.79)**	**(8.66)**	**(7.67)**
Non current assets	112.30	40.02	0.50	-	12.00	12.81	12.50	10.84
Non current liabilities	99.87	24.13	-	-	7.30	0.15	0.20	1.00
Net non current assets	**12.43**	**15.89**	**0.50**	**-**	**4.70**	**12.66**	**12.30**	**9.84**
Net assets	**(1.97)**	**(1.31)**	**0.10**	**-**	**2.30**	**2.87**	**3.64**	**2.17**
Accumulated non controlling interests	-	-	-	**-**	**1.12**	**1.38**	**1.73**	**1.04**

(ii) Summarised Statement of Profit and Loss	Apeejay Hotels and Restaurants Private Limited				Apeejay Charter Private Limited			
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Revenue	28.00	20.29	-	-	1.10	10.44	10.62	9.30
Profit/(loss) for the year	(0.30)	(0.60)	-	-	(0.50)	(0.74)	1.43	0.90
Other comprehensive income	(0.10)	(0.80)	-	-	-	*	*	*
Total comprehensive income	(0.40)	(1.40)	-	-	(0.50)	(0.74)	1.43	0.90
Profit/(loss) attributable to non controlling interests	-	-	-	-	(0.26)	(0.35)	0.69	0.42

* Below rounding off norms

(iii) Summarised Cash Flows	Apeejay Hotels and Restaurants Private Limited				Apeejay Charter Private Limited			
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Cash flow from operating activities	29.90	19.10	-	-	(7.90)	2.95	4.24	0.70
Cash flow from investing activities	(42.40)	(39.91)	-	-	-	(3.30)	3.40	(1.00)
Cash flow from financing activities	32.90	23.05	-	-	7.30	-	-	-
Net increase/(decrease) in cash and cash equivalents	**20.40**	**2.24**	**-**	**-**	**(0.60)**	**(0.35)**	**7.64**	**(0.30)**

* Below rounding off norms

(c) Interest in joint venture

Set out below is the joint venture of the Group as at 30th June 2019. The entity listed below has share capital consisting solely of equity shares, which are held directly by the Group. The Country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Principal activities	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount as on 30 June 2019	Carrying amount as on 31st March 2019	Carrying amount as on 31st March 2018	Carrying amount as on 31st March 2017
Apeejay Hotels (Panama) Inc.@	SPV created for onward investment in hospitality ventures	Republic of Panama	33.33%	Joint venture	Equity method	-	-	30.17	5.60
Apeejay Tea (Panama) Inc. #	SPV created primarily for onward investment in Typhoo Tea Ltd, UK	Republic of Panama	33.33%	Joint venture	Equity method	-	-	-	-

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

On 27 March 2017, the parent Company has transferred 979 shares, out of the total holding of 1,846 shares in Apeejay Tea (Panama) Inc at GBP 1 (cost) to Apeejay Tea Limited as a result of which the investment of the Company in Apeejay Tea (Panama) Inc has decreased from 33% to 15.50%. Due to the aforesaid transaction during the year ended 31 March 2017, Apeejay Tea (Panama) Inc ceased to be a joint venture of the Group from the said date.

(d) Summarised financial information for joint venture

The table below provide summarised financial information for the joint venture of the Group.

Summarised Balance Sheet	Apeejay Tea (Panama) Inc. #				Apeejay Hotels (Panama) Inc.@			
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17	30-Jun-19	31-03-2019 #	31-Mar-18	31-Mar-17
Current Assets								
Cash and cash equivalents	-	-	-	-	-	-	1.00	1.20
Other assets	-	-	-	-	-	-	740.70	620.80
Total current assets	**-**	**-**	**-**	**-**	**-**	**-**	**741.70**	**622.00**
Total non current assets	**-**	**-**	**-**	**-**	**-**	**-**	*	*
Current liabilities								
Financial liabilities	-	-	-	-	-	-	217.00	187.60
Other liabilities	-	-	-	-	-	-	-	-
Total current liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**217.00**	**187.60**
Non current liabilities								
Other liabilities	-	-	-	-	-	-	434.30	417.60
Total non current liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**434.30**	**417.60**
Net assets	**-**	**-**	**-**	**-**	**-**	**-**	**90.40**	**16.80**

* Below rounding off norms

Apeejay Surrendra Park Hotels Limited
(All amounts in INR million, unless otherwise stated)

Annexure XXXXIV
Restated Ind AS Consolidated Statement of interest in other entities

Reconciliation to carrying amounts

Particulars	Apeejay Tea (Panama) Inc. #				Apeejay Hotels (Panama) Inc.@			
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Opening net assets	-	-	-	-	-	90.50	16.80	44.90
Profit/(loss) for the year	-	-	-	-	-	2.84	73.70	(28.10)
Closing net assets	**-**	**-**	**-**	**-**	**-**	**93.34**	**90.50**	**16.80**
Group's share in %	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**33.33%**	**33.33%**
Group's share in Rs.	**-**	**-**	**-**	**-**	**-**	**-**	**30.17**	**5.60**
Carrying amount	**-**	**-**	**-**	**-**	**-**	**-**	**30.17**	**5.60**

Summarised Statement of Profit and Loss

Particulars	Apeejay Tea (Panama) Inc. #				Apeejay Hotels (Panama) Inc.@			
	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17	30-Jun-19	31-Mar-19	31-Mar-18	31-Mar-17
Revenue							-	-
Interest income	-	-	-	46.10	-	11.34	2.60	5.50
Interest expense	-	-	-	210.20	-	-	-	-
Other expenses	-	-	-	79.10	-	2.81	0.14	0.50
Profit for the year	**-**	**-**	**-**	**(243.20)**	**-**	**8.53**	**2.46**	**5.00**
Movement in foreign currency translation reserve	**-**	**-**	**-**	**32.90**	**-**	**-**	**-**	**(33.10)**
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**(210.30)**	**-**	**8.53**	**2.46**	**(28.10)**

(All amounts in INR million, unless otherwise stated)

Annexure XXXXV
Restated Ind AS Consolidated Statement related to segment reporting

The Group's chief operating decision making group examines the Group's performance from business perspective and has identified two reportable business segments viz. "Hospitality" and "Others".
Segment disclosures are consistent with the information provided to Group's chief operating decision making group which primarily uses operating profit/loss of the respective segments to assess their performance. Group's chief operating decision making group also periodically receives information about the segments revenue and assets. Chief Operating Decision Maker ("CODM") of the Company who evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. Segment performance is evaluated based on Profit or loss and is measured consistently with profit or loss in the financial statement.

Segment assets, liabilities, revenue and expenses are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

(a) Summarised segment information

	Period ended 30 June 2019			Year ended 31st March 2019			Year ended 31st March 2018			Year ended 31st March 2017		
Primary business segment	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**
External revenue from operations	939.04	1.05	940.09	4,202.69	10.36	4,213.05	3,818.29	10.55	3,828.84	3,484.34	8.90	3,493.24
Inter segment revenue	-	(0.25)	(0.25)		(0.14)	(0.14)		-	-	-	0.30	0.30
Segment revenue	939.04	0.80	939.84	4,202.69	10.22	4,212.91	3,818.29	10.55	3,828.84	3,484.34	9.20	3,493.54
Other income	57.27	0.10	57.37	96.51	0.08	96.59	54.92	0.10	55.02	212.59	0.10	212.69
Inter segment other income	(0.70)	-	(0.70)	(0.07)	-	(0.07)	-	-	-	-	-	-
Segment other income	56.57	0.10	56.67	96.44	0.08	96.52	54.92	0.10	55.02	212.59	0.10	212.69
Segment results	89.17	(0.52)	88.65	621.15	(0.74)	620.41	484.61	1.40	486.01	501.44	1.04	502.48

(b) Specified amounts included in Segment results

	Period ended 30 June 2019			Year ended 31st March 2019			Year ended 31st March 2018			Year ended 31st March 2017		
Primary business segment	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**
Depreciation and amortization	77.67	0.65	78.32	306.69	3.18	309.87	305.26	0.88	306.14	273.93	1.00	274.93
Net foreign exchange loss / (gain)	-	-	-	34.36	-	34.36	2.86	-	2.86	*	-	*
Non cash expenses other than depreciation and amortisation	14.78	-	14.78	57.29	1.46	58.75	27.63	-	27.63	60.41	-	60.41

(c) Reconciliation of segment results with profit after tax

	Period ended 30 June 2019			Year ended 31st March 2019			Year ended 31st March 2018			Year ended 31st March 2017		
Primary business segment	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**
Segment results	89.17	(0.52)	88.65	621.15	(0.74)	620.41	484.61	1.40	486.01	501.44	1.04	502.48
Finance costs			117.64			498.30			418.89			441.08
Provision for taxation - current tax	-	-	-	-	-	29.63	-	-	19.94	-	-	20.40
MAT credit entitlement	-	-	-	-	-	(29.17)	-	-	(19.89)	-	-	(20.40)
Adjustment of tax relating to earlier periods	-	-	-	-	-	15.42	-	-	-	-	-	-
Tax expenses-deferred tax (charge)/credit	-	-	(10.67)	-	-	9.07	-	-	146.06	-	-	(41.79)
Profit/(loss) after tax as per financial statements	**89.17**	**(0.52)**	**(18.32)**	**621.15**	**(0.74)**	**97.16**	**484.61**	**1.40**	**(78.99)**	**501.44**	**1.04**	**103.19**

(d) Other information
Reconciliation of reportable segments with the financial statements

	30 June 2019			31 March 2019			31 March 2018			31 March 2017		
Primary business segment	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**	**Hospitality**	**Others**	**Total of reportable segments**
Segment assets	12,281.12	22.21	12,303.33	12,106.30	22.90	12,129.20	11,808.41	20.88	11,829.29	12,121.12	15.80	12,136.92
Corporate unallocated (net)	**-**	**-**	**206.41**	**-**	**-**	**223.95**	**-**	**-**	**260.50**	**-**	**-**	**186.00**
Investment			0.21			0.21			30.50			6.06
Advance Income tax			54.38			90.75			111.50			96.82
Margin money			41.32			40.81			38.46			36.64
Cash and bank			72.48			39.72			78.54			30.28
Interest accrued on deposits			38.02			52.46			1.50			16.20
Total Assets	**12,281.12**	**22.21**	**12,509.74**	**12,106.30**	**22.90**	**12,353.15**	**11,808.41**	**20.88**	**12,089.79**	**12,121.12**	**15.80**	**12,322.92**
Segment liabilities	**1,049.47**	**21.18**	**1,070.65**	**981.53**	**18.94**	**1,000.47**	**836.22**	**15.91**	**852.13**	**1,076.43**	**12.24**	**1,088.67**
Corporate unallocated (net)	-	-	**5,588.30**	-	-	**5,477.89**	-	-	**5,422.42**	**-**	**-**	**5,045.62**
Long term borrowings	-	-	3,836.18	-	-	3,891.28	-	-	3,838.15	-	-	3,794.07
Deferred tax	-	-	601.72	-	-	614.99	-	-	645.28	-	-	514.82
Short term borrowings	-	-	674.63	-	-	521.82	-	-	554.89	-	-	417.45
Temporary bank overdraft	-	-	22.05	-	-	6.51	-	-	6.22	-	-	-
Current maturities of long term borrowings	-	-	450.49	-	-	440.76	-	-	374.74	-	-	312.63
Interest accrued	-	-	3.23	-	-	2.53	-	-	3.14	-	-	6.65
Total unallocated liabilities	**-**	**-**	**5,588.30**	**-**	**-**	**5,477.89**			**5,422.42**			**5,045.62**
Total liabilities #			**6,658.94**			**6,478.36**			**6,274.55**			**6,134.29**

Excluding shareholder's funds

The Group operates only in India and hence all non current assets belong to reportable segment are located in India. The Group doesn't have any individualcustomer who is contributing more than 10% of revenue.

(All amounts in INR million, unless otherwise stated)

Annexure XXXXVI

Restated Ind AS Consolidated Statement of assets pledged as security

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

Particulars	As at 30 June 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Current assets				
Inventories	126.58	139.68	168.85	144.54
Others	1,048.71	873.78	621.82	881.90
Total current assets pledged as security (A)	**1,175.29**	**1,013.46**	**790.67**	**1,026.44**
Non-current assets				
Property, plant and equipment	4,924.05	4,958.77	5,040.04	4,950.92
Capital work-in-progress	107.69	82.85	21.46	102.72
Intangible assets	15.50	16.73	14.50	10.75
Total non-currents assets pledged as security (B)	**5,047.24**	**5,058.35**	**5,076.00**	**5,064.39**
Total assets pledged as security (A+B)	**6,222.53**	**6,071.81**	**5,866.67**	**6,090.83**

(All amounts in INR million, unless otherwise stated)

Annexure XXXXVII
Statutory group information

	Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	Apeejay Surrendra Park Hotels Limited, 30th June 2019	99.98%	5,849.35	94.21%	(17.26)	98.24%	(5.57)	95.16%	(22.83)
Subsidiary	Apeejay Charter Private Limited, 30th June 2019	0.04%	2.30	2.73%	(0.50)	0.00%	-	2.08%	(0.50)
Subsidiary	Apeejay Hotels and Restaurants Private Limited, 30th June 2019	-0.04%	(1.97)	1.64%	(0.30)	1.76%	(0.10)	1.67%	(0.40)
Subsidiary	Non-controlling interests in all subsidiaries, 30th June 2019	0.02%	1.12	1.42%	(0.26)	-	*	1.08%	(0.26)
Parent	Apeejay Surrendra Park Hotels Limited, 31st March 2019	99.95%	5,871.85	98.81%	96.01	97.89%	(36.81)	99.40%	59.19
Subsidiary	Apeejay Charter Private Limited, 31st March 2019	0.05%	2.87	-0.76%	(0.74)	0.00%	-	-1.24%	(0.74)
Subsidiary	Apeejay Hotels and Restaurants Private Limited, 31st March 2019	-0.02%	(1.31)	-0.62%	(0.60)	2.11%	(0.80)	-2.35%	(1.40)
Subsidiary	Non-controlling interests in all subsidiaries, 31st March 2019	0.02%	1.38	-0.36%	(0.35)	-	*	-0.58%	(0.35)
Joint venture	i) Apeejay Hotels (Panama) Inc., 31st March 2019 ii) Apeejay Tea (Panama) Inc., 31st March 2019	-	-	2.93%	2.84	0.00%	-	4.77%	2.84
Parent	Apeejay Surrendra Park Hotels Limited, 31st March 2018	99.39%	5,779.60	102.69%	(81.11)	100.00%	20.32	105.01%	(61.61)
Subsidiary	Apeejay Charter Private Limited, 31st March 2018	0.06%	3.64	-1.82%	1.43	0.00%	-	-2.44%	1.43
Subsidiary	Apeejay Hotels and Restaurants Private Limited, 31st March 2018	0.00%	0.10	0.00%	-	0.00%	-	0.00%	-
Subsidiary	Non-controlling interests in all subsidiaries, 31st March 2018	0.03%	1.73	-0.87%	0.69	-	*	-1.17%	0.69
Joint venture	i) Apeejay Hotels (Panama) Inc., 31st March 2018 ii) Apeejay Tea (Panama) Inc., 31st March 2018	0.52%	30.17	0.00%	-	0.00%	-	-1.40%	0.82
Parent	Apeejay Surrendra Park Hotels Limited, 31st March 2017	99.86%	6,179.82	98.72%	101.87	100.00%	(21.42)	109.84%	89.82
Subsidiary	Apeejay Charter Private Limited, 31st March 2017	0.04%	2.17	0.87%	0.90	-	-	1.10%	0.90
Subsidiary	Apeejay Hotels and Restaurants Private Limited, 31st March 2017	-	-	0.00%	-	0.00%	-	0.00%	-
Subsidiary	Non-controlling interests in all subsidiaries, 31st March 2017	0.02%	1.04	0.41%	0.42	-	*	0.52%	0.42
Joint venture	i) Apeejay Hotels (Panama) Inc., 31st March 2017 ii) Apeejay Tea (Panama) Inc., 31st March 2017	0.08%	5.60	0.00%	-	0.00%	-	-11.46%	(9.37)

Annexure XXXXVII A

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

Annexure XXXXVIII

Subsequent to balance sheet date, the parent Company acquired the Confectionary Business of Flurys Swiss Confectionery Private Limited (the Confectionary Business) on a going concern basis under a slump sale arrangement with effect from October 1, 2019 for total consideration of INR 66.27 crores. The related Business Transfer Agreement ('BTA') was executed on December 19, 2019 between the parent Company and Flurys Swiss Confectionery Private Limited. The board of directors of the parent Company had approved such acquisition in their meeting held on September 27, 2019. Identified assets and liabilities pertaining to the Confectionary Business has been taken over by the parent Company on and from the aforesaid date in terms of the BTA.
Since the aforementioned acquisition is a non-adjusting event in accordance with Indian Accounting Standard 10 : 'Events after the Reporting Period', no adjustments have been made in these restated consolidated financial statements.
The acquisition of Confectionary Business of Flurys Swiss Confectionery Private Limited is done as part of the parent Company's expansion strategy and the Company intends to expand from existing offering of 39 outlets and increase our footprint of "Flurys" within Kolkata as well as expand in the Delhi NCR region and the metro domestic and international airports.
The business combination would be accounted for under the acquisition method in accordance with Ind AS 103 'Business Combinations' by the parent Company and purchase consideration will be provisionally allocated based on the respective fair values of net assets of Confectionary Business, as determined by an independent valuer on provisional basis, and accordingly, intangible in the form of brand and goodwill will be recognised subsequent to reporting date.
Further, as the provisions of Ind AS 103 provide one year window from the acquisition date for finalisation of initial accounting for a business combination, the Company is in the process of finalising the provisional PPA and completing its initial accounting thereby for the Confectionary Business and hence other disclosures in term of Paragraph B64 of Ind AS 103 have not been in these restated consolidated financial statements.

Annexure XXXXIX
Restated Ind AS Consolidated Summary Statement of comparatives
Figures relating to previous years have been rearranged/regrouped wherever considered necessary to make them comparable with the current period's figures.

As per our report of even date

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

per Bhaswar Sarkar
Partner

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

Independent Practitioner's Assurance report on the Compilation of proforma financial information included in draft red herring prospectus (DRHP) in connection with the proposed initial public offer of Apeejay Surrendra Park Hotels Limited

To,
The Board of Directors of
Apeejay Surrendra Park Hotels Limited
17 Park Street
Kolkata - 700 016.

Dear Sirs,

1. We have completed our assurance engagement to report on the compilation of proforma financial information of Apeejay Surrendra Park Hotels Limited ("the Company") by the management of the Company. The proforma financial information consists of the proforma balance sheet as at March 31, 2019 and June 30, 2019, the proforma statements of profit and loss for the year ended March 31, 2019 and for the three months period ended June 30, 2019 and related notes 1 to 5 of the proforma financial information. The applicable criteria on the basis of which the Company has compiled the proforma financial information are specified in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), as amended from time to time and described in note 2 of proforma financial information.

2. The proforma financial information has been compiled by the management of Company to illustrate the impact of the acquisition of confectionery business of Flurys Swiss Confectionery Private Limited (FSCPL) ["the Confectionary Business"] on and from October 1, 2019, as set out in Note 2, on the Company's Balance Sheet as at March 31, 2019 and as at June 30, 2019 as if the acquisition of the Confectionary Business had taken place on March 31, 2019 and June 30, 2019 respectively and its Profit and Loss for the year ended March 31, 2019 and three months period ended June 30, 2019 as if the acquisition had taken place at April 1, 2018 and April 1, 2019 respectively.

3. As part of this process, information about the Company's financial position and financial performance has been extracted by the management from the Company's restated consolidated summary statements, on which we have issued our examination report. The information about the financial position and financial performance of the Confectionary Business has been extracted by the management from the Confectionary Business's special purpose carve-out financial statements, audited by another firm of Chartered Accountant.

Managements' responsibility for the proforma financial information

4. The management is responsible for compiling the proforma financial information on the basis set out in note 2 to the proforma financial information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the proforma financial information on the basis set out in note 2 to the proforma financial information that is free from material misstatement, whether due to fraud or error. The management is also responsible for identifying and ensuring that the Company complies with

the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of proforma financial information.

Practitioner's responsibilities

5. Our responsibility is to express an opinion, as required by the SEBI Regulations, about whether the proforma financial information of the Company have been compiled, in all material respects, by the management on the basis set out in Note 2 to the proforma financial information ("applicable criteria").

6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the proforma financial information on the basis set out in applicable criteria.

7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information / restated consolidated financial summary statements used in compiling the proforma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the proforma financial information. For our assurance engagement, we have placed reliance on the following and have not performed any further procedures for the purpose of this report:

   a. the restated consolidated summary statements of the Group (comprising of the Company, and its subsidiaries) for the year ended March 31, 2019 and for the three months period ended June 30, 2019 on which we have issued our examination report dated December 27, 2019;

   b. the special purpose carve-out financial statements of the Confectionary Business for the year ended March 31, 2019 and three months period ended June 30, 2019 audited by another firm of Chartered Accountant which together with their unmodified audit opinion thereon dated December 20, 2019 was furnished to us by the management of the Company.

8. The purpose of proforma financial information included in offer document is solely to illustrate the impact of above mentioned acquisition on unadjusted financial information of the Company as if the acquisition had been undertaken at an earlier date as mentioned in Paragraph 2 above. Accordingly, we do not provide any assurance that the actual outcome of the above mentioned acquisition of the Confectionary Business with effect from October 1, 2019 would have been as presented.

9. A reasonable assurance engagement to report on whether the proforma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the proforma financial information provide a reasonable basis for presenting the significant effects directly attributable to the acquisition, and to obtain sufficient appropriate evidence about whether:

   a. The related proforma adjustments give appropriate effect to those applicable criteria; and

b. The proforma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected by us for this purpose was based on our understanding of the nature of the Company, the acquisition in respect of which the proforma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the proforma financial information.

10. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

11. Our work has not been carried out in accordance with auditing and other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

12. In our opinion the proforma financial information have been compiled, in all material respects, on the basis set out in the Note 2 to the proforma financial information.

Other matter

13. The special purpose audited carve-out financial statements of the Confectionary Business for the year ended March 31, 2019 and three months period ended June 30, 2019 used by the management of the Company for compilation of proforma financial information was audited by another firm of Chartered Accountants, B M Chatrath & Co LLP.

Restrictions on use

14. This report should not in any way be construed as a reissuance or reauditing or re-examination of any of the previous audit reports issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

15. Our report is intended solely for use of the Management for inclusion in the offer document to be filed with SEBI and relevant stock exchanges in connection with the proposed Initial public offering of the Company and is not to be used, referred to or distributed for any other purpose.

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

per **Bhaswar Sarkar**
Partner
Membership No.055596
UDIN:

Place: Kolkata
Date: December 27, 2019

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

	ASPHL restated consolidated	Special purpose carve-out financial statements of confectionary business of FSCPL	Intragroup elimination adjustments [note 3(a)]	Acquisition adjustments [note 3(b)]	Total Proforma adjustments	Proforma Consolidated as at 31 March, 2019
	(A)	(B)	(C)	(D)	(E=C+D)	(F=A+B+E)
ASSETS						
Non-current assets						
Property, plant and equipment	8,470.11	49.73	-	-	-	8,519.84
Right of use asset	2,279.77	17.79	-	-	-	2,297.56
Capital work-in-progress	314.87	-	-	-	-	314.87
Intangible assets	31.08	1.74	-	300.00	300.00	332.82
Goodwill	-	-	-	256.28	256.28	256.28
Financial assets						
A) Investments	0.21	-	-	-	-	0.21
B) Loans	54.26	16.51	-	-	-	70.77
C) Other financial assets	37.89	-	-	-	-	37.89
Non current tax assets (net)	20.50	-	-	-	-	20.50
Other non current assets	131.00	0.17	-	-	-	131.17
Total non current assets	**11,339.69**	**85.94**	**-**	**556.28**	**556.28**	**11,981.91**
Current assets						
Inventories	139.68	3.99	-	-	-	143.67
Financial assets						
A) Trade receivables	271.15	15.06	(6.90)	-	(6.90)	279.31
B) Cash and cash equivalents	39.72	12.62	-	-	-	52.34
C) Bank balance other than included in cash and cash equivalents above	2.92	-	-	-	-	2.92
D) Loans	222.72	-	-	-	-	222.72
E) Other financial assets	99.00	-	-	-	-	99.00
Current tax assets (net)	70.25	-	-	-	-	70.25
Other current assets	168.02	33.12	(0.44)	-	(0.44)	200.70
Total current assets	**1,013.46**	**64.79**	**(7.34)**	**-**	**(7.34)**	**1,070.91**
Total assets	**12,353.15**	**150.73**	**(7.34)**	**556.28**	**548.94**	**13,052.82**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	174.66	-	-	-	-	174.66
Capital	-	107.62	-	(107.62)	(107.62)	-
Other equity	5,698.75	-	-	-	-	5,698.75
Equity attributable to owners of Apeejay Surrendra Park Hotels Limited	**5,873.41**	**107.62**	**-**	**(107.62)**	**(107.62)**	**5,873.41**
Non controlling interests	1.38	-	-	-	-	1.38
Total equity	**5,874.79**	**107.62**	**-**	**(107.62)**	**(107.62)**	**5,874.79**
Non-current liabilities						
Financial liabilities						
A) Borrowings	3,891.28	0.61	-	-	-	3,891.89
B) Lease liabilities	65.94	13.16	-	-	-	79.10
C) Other financial liabilities	0.27	-	-	-	-	0.27
Other non current liabilities	-	-	-	497.02	497.02	497.02
Provisions	52.49	2.71	-	-	-	55.20
Deferred tax liabilities (net)	614.99	0.28	-	-	-	615.27
Total non current liabilities	**4,624.97**	**16.76**	**-**	**497.02**	**497.02**	**5,138.75**
Current liabilities						
Financial liabilities						
A) Borrowings	521.82	-	-	-	-	521.82
B) Trade payables						
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	431.48	15.21	(6.90)	1.20	(5.70)	440.99
C) Lease liabilities	18.19	5.21		-	-	23.40
D) Other financial liabilities	644.79	3.23	-	165.68	165.68	813.70
Other current liabilities	165.55	1.38	(0.44)	-	(0.44)	166.49
Provisions	71.56	1.32	-	-	-	72.88
Total current liabilities	**1,853.39**	**26.35**	**(7.34)**	**166.88**	**159.54**	**2,039.28**
Total liabilities	**6,478.36**	**43.11**	**(7.34)**	**663.90**	**656.56**	**7,178.03**
Total equity and liabilities	**12,353.15**	**150.73**	**(7.34)**	**556.28**	**548.94**	**13,052.82**

Note: The above statement should be read with notes to the proforma consolidated financial information

As per our report of even date
For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

Apeejay Surrendra Park Hotels Limited

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

(All amounts in INR million, unless otherwise stated)

	ASPHL restated consolidated	Special purpose carve-out financial statements of confectionary business of FSCPL	Intragroup elimination adjustments [note 3(a)]	Acquisition adjustments [note 3(b)]	Total Proforma adjustments	Proforma Consolidated for the year ended 31 March, 2019
	(A)	(B)	(C)	(D)	(E=C+D)	(F=A+B+E)
Income						
Revenue from contracts with customers	4,212.91	255.27	(5.13)	-	(5.13)	4,463.05
Other income	96.59	0.35	(1.69)	45.59	43.90	140.84
Total income	**4,309.50**	**255.62**	**(6.82)**	**45.59**	**38.77**	**4,603.89**
Expenses						
Consumption of provisions, beverages, wines/liquor and smokes	687.00	78.24	(5.13)	-	(5.13)	760.11
Changes in inventory of finished goods	-	(0.98)	-	-	-	(0.98)
Employee benefits expenses	809.39	46.68	-	-	-	856.07
Finance costs	498.30	1.55	-	-	-	499.85
Depreciation and amortization expenses	309.87	9.70	-	15.00	15.00	334.57
Other expenses	1,885.67	45.45	(1.69)	1.20	(0.49)	1,930.63
Total expenses	**4,190.23**	**180.64**	**(6.82)**	**16.20**	**9.38**	**4,380.25**
Profit/(loss) before share of profit/(loss) of joint venture and tax	119.27	74.98	-	29.39	29.39	223.64
Share of profit/(loss) of joint venture	2.84	-	-	-	-	2.84
Profit/(loss) before tax	**122.11**	**74.98**	**-**	**29.39**	**29.39**	**226.48**
Tax expenses						
Current tax	29.63	20.52	-	-	-	50.15
Less: MAT credit entitlement	(29.17)	-	-	-	-	(29.17)
Adjustment of tax relating to earlier periods	15.42	-	-	-	-	15.42
Deferred tax charge/(credit)	9.07	0.34	-	18.72	18.72	28.13
Profit/(loss) for the period/year	**97.16**	**54.12**	**-**	**10.67**	**10.67**	**161.95**
Other comprehensive income/(loss) ('OCI')						
Items that will be reclassified to profit or loss in subsequent periods						
Exchange difference on translation of foreign operations	-	-	-	-	-	-
Less : Foreign currency translation reserve reclassified to profit or loss on discontinuance of equity method in relation to a joint venture	(27.35)	-	-	-	-	(27.35)
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurements of post employment benefit obligations	(14.55)	(0.27)	-	-	-	(14.82)
Income tax related to above items	4.29	0.07	-	-	-	4.36
Other comprehensive income/(loss) for the period/year, net of tax	**(37.61)**	**(0.20)**	**-**	**-**	**-**	**(37.81)**
Total comprehensive income/(loss) for the period/year, net of tax	**59.55**	**53.92**	**-**	**10.67**	**10.67**	**124.14**
Profit/(loss) for the period/year attributable to						
Equity shareholders of parent Company	**97.51**					**162.30**
Non-controlling interests	**(0.35)**					**(0.35)**
Other comprehensive income/(loss) for the period/year attributable to						
Equity shareholders of parent Company	**(37.61)**					**(37.81)**
Non-controlling interests	*					*
Total other comprehensive income/(loss) for the period/year attributable to						
Equity shareholders of parent Company	**59.90**					**124.49**
Non-controlling interests	**(0.35)**					**(0.35)**
Proforma earnings per equity share [refer Note 3(c)]						
[Nominal value per share INR 10]						
Basic	**0.56**					**0.93**
Diluted	**0.56**					**0.93**

* Below rounding off norms

Note: The above statement should be read with notes to the proforma consolidated financial information

As per our report of even date
For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

Apeejay Surrendra Park Hotels Limited

Proforma Consolidated Balance Sheet as at 30 June 2019

(All amounts in INR million, unless otherwise stated)

	ASPHL restated consolidated	Special purpose carve-out financial statements of confectionary business of FSCPL	Intragroup elimination adjustments [note 3(a)]	Acquisition adjustments [note 3(b)]	Total Proforma adjustments	Proforma Consolidated as at 30 June, 2019
	(A)	(B)	(C)	(D)	(E=C+D)	(F=A+B+E)
ASSETS						
Non-current assets						
Property, plant and equipment	8,427.40	52.24	-	-	-	8,479.64
Right of use asset	2,277.33	19.50	-	-	-	2,296.83
Capital work-in-progress	348.32	-	-	-	-	348.32
Intangible assets	29.28	1.62	-	300.00	300.00	330.90
Goodwill	-	-	-	246.07	246.07	246.07
Financial assets						
A) Investments	0.21	-	-	-	-	0.21
B) Loans	51.02	16.59	-	-	-	67.61
C) Other financial assets	38.40	-	-	-	-	38.40
Income tax assets (net)	28.74	-	-	-	-	28.74
Deferred tax assets (net)	-	0.32	-	-	-	0.32
Other non current assets	133.75	0.17	-	-	-	133.92
	11,334.45	**90.44**	**-**	**546.07**	**546.07**	**11,970.96**
Current assets						
Inventories	126.58	5.88	-	-	-	132.46
Financial assets						
A) Trade receivables	279.25	15.34	(6.50)	-	(6.50)	288.09
B) Cash and cash equivalents	72.48	18.25	-	-	-	90.73
C) Bank balance other than included in cash and cash equivalents above	2.92	-	-	-	-	2.92
D) Loans	365.05	-	-	-	-	365.05
E) Other financial assets	105.32	-	-	-	-	105.32
Income tax assets (net)	25.64	-	-	-	-	25.64
Other current assets	198.05	34.91	(0.44)	-	(0.44)	232.52
	1,175.29	**74.38**	**(6.94)**	**-**	**(6.94)**	**1,242.73**
Total assets	**12,509.74**	**164.82**	**(6.94)**	**546.07**	**539.13**	**13,213.69**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	174.66	-	-	-	-	174.66
Capital	-	117.83	-	(117.83)	(117.83)	-
Other equity	5,675.02	-	-	-	-	5,675.02
Equity attributable to owners of parent Company	**5,849.68**	**117.83**	**-**	**(117.83)**	**(117.83)**	**5,849.68**
Non controlling interests	1.12	-	-	-	-	1.12
Total equity	**5,850.80**	**117.83**	**-**	**(117.83)**	**(117.83)**	**5,850.80**
Non-current liabilities						
Financial liabilities						
A) Borrowings	3,836.18	0.61	-	-	-	3,836.79
B) Lease liabilities	71.44	13.67	-	-	-	85.11
C) Other financial labilities	0.30	-	-	-	-	0.30
Other non current liabilities	-	-	-	331.35	331.35	331.35
Provisions	65.75	3.17	-	-	-	68.92
Deferred tax liabilities (net)	601.72	-	-	-	-	601.72
	4,575.39	**17.45**	**-**	**331.35**	**331.35**	**4,924.19**
Current liabilities						
Financial liabilities						
A) Borrowings	674.63	-	-	-	-	674.63
B) Trade payables						
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	458.03	17.63	(6.50)	1.20	(5.30)	470.36
C) Lease liabilities	16.97	6.60	-	-	-	23.57
D) Other financial liabilities	688.78	2.66	-	331.35	331.35	1,022.79
Other current liabilities	176.49	0.77	(0.44)	-	(0.44)	176.82
Provisions	68.65	1.88	-	-	-	70.53
	2,083.55	**29.54**	**(6.94)**	**332.55**	**325.61**	**2,438.70**
Total liabilities	**6,658.94**	**46.99**	**(6.94)**	**663.90**	**656.96**	**7,362.89**
Total equity and liabilities	**12,509.74**	**164.82**	**(6.94)**	**546.07**	**539.13**	**13,213.69**

Note: The above statement should be read with notes to the proforma consolidated financial information

As per our report of even date
For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

Apeejay Surrendra Park Hotels Limited

Proforma Consolidated Statement of Profit and Loss for the three months period ended 30 June 2019

(All amounts in INR million, unless otherwise stated)

	ASPHL restated consolidated	Special purpose carve-out financial statements of confectionary business of FSCPL	Intragroup elimination adjustments [note 3(a)]	Acquisition adjustments [note 3(b)]	Total Proforma adjustments	Proforma Consolidated for the three months ended 30 June, 2019
	(A)	(B)	(C)	(D)	(E=C+D)	(F=A+B+E)
Income						
Revenue from contracts with customers	939.84	59.87	(1.00)	-	(1.00)	998.71
Other income	57.37	0.14	(0.20)	6.31	6.11	63.62
Total income	**997.21**	**60.01**	**(1.20)**	**6.31**	**5.11**	**1,062.33**
Expenses						
Consumption of provisions, beverages, wines/liquor and smokes	152.80	16.64	(1.00)	-	(1.00)	168.44
Changes in Inventory of finished Goods	-	(0.19)	-	-	-	(0.19)
Employee benefits expenses	211.02	12.67	-	-	-	223.69
Finance costs	117.64	0.55	-	-	-	118.19
Depreciation and amortization expenses	78.32	3.22	-	3.75	3.75	85.29
Other expenses	466.42	13.50	(0.20)	1.20	1.00	480.92
Total expenses	**1,026.20**	**46.39**	**(1.20)**	**4.95**	**3.75**	**1,076.34**
Profit/(loss) before share of profit/(loss) of joint venture and tax	(28.99)	13.62	-	1.36	1.36	(14.01)
Profit/(loss) before tax	**(28.99)**	**13.62**	**-**	**1.36**	**1.36**	**(14.01)**
Tax expenses						
Current tax	-	4.29	-	-	-	4.29
Deferred tax charge/(credit)	(10.67)	(0.50)	-	4.68	4.68	(6.49)
Profit/(loss) for the period/year	**(18.32)**	**9.83**	**-**	**(3.32)**	**(3.32)**	**(11.81)**
Other comprehensive income/(loss) ('OCI')						
Items that will be reclassified to profit or loss in subsequent periods						
Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurements of post employment benefit obligations	(8.27)	(0.37)	-	-	-	(8.64)
Income tax related to above items	2.60	0.10	-	-	-	2.70
Other comprehensive income/(loss) for the period/year, net of tax	**(5.67)**	**(0.27)**	**-**	**-**	**-**	**(5.94)**
Total comprehensive income/(loss) for the period/year, net of tax	**(23.99)**	**9.56**	**-**	**(3.32)**	**(3.32)**	**(17.75)**
Profit/(loss) for the period/year attributable to						
Equity shareholders of parent Company	**(18.06)**					**(11.55)**
Non-controlling interests	**(0.26)**					**(0.26)**
Other comprehensive income/(loss) for the period/year attributable to						
Equity shareholders of parent Company	**(5.67)**					**(5.94)**
Non-controlling interests	*					*
Total other comprehensive income/(loss) for the period/year attributable to						
Equity shareholders of parent Company	**(23.73)**					**(17.49)**
Non-controlling interests	**(0.26)**					**(0.26)**
Proforma earnings per equity share [refer Note 3(c)]						
[Nominal value per share INR 10]						
Basic	**(0.10)**					**(0.07)**
Diluted	**(0.10)**					**(0.07)**

* Below rounding off norms

Note: The above statement should be read with notes to the proforma consolidated financial information

As per our report of even date
For S.R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Bhaswar Sarkar
Partner
Membership No: 55596

Place of signature: Kolkata
Date: December 27, 2019

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

Atul Khosla
Chief Financial Officer

Vijay Dewan
Managing Director
DIN: 00051164

Shalini Keshan
Company Secretary

Ashoke Ghosh
Director
DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

Notes to the Proforma Consolidated Financial Information as at and for the year ended March 31, 2019 and as at and for the three months ended June 30, 2019

1) Background

Apeejay Surrendra Park Hotels Limited ('the Company' or 'ASPHL') is a public limited Company domiciled in India, incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is situated at 17, Park Street, Kolkata, West Bengal, India, 700016. The Company together with its subsidiaries (collectively referred to as 'the Group') and its joint venture is primarily engaged in the business of owning, operating and managing hotels.

With effect from October 1, 2019, the Group has acquired, for total consideration of INR 662.70 million, the confectionery business of Flurys Swiss Confectionery Private Limited ("FSCPL") ["the Confectionary Business"] as a going concern on a slump sale basis including its business assets, business liabilities, business know-how, contracts, permits, records, employees, any incorporeal assets, any benefits or incentives granted or accrued on FSCPL by any regulatory or statutory body. The total purchase consideration shall be payable by the Group to FSCPL as follows:

- 10% of the purchase consideration to be paid on the date of signing of Business Transfer Agreement;
- 15% of the purchase consideration to be paid on January 1, 2020;
- 25% of the purchase consideration to be paid on April 1, 2020 and
- Balance payment by July 1, 2020.

The proforma consolidated financial information are based on our restated consolidated financial statements and special purpose carve-out financial statements of the Confectionary Business as adjusted to give effect to the Group's acquisition of the Confectionery Business. The proforma consolidated statement of profit and loss for the year ended March 31, 2019 and three months ended June 30, 2019 give effect to this transaction as if they had occurred on April 1, 2018 and April 1, 2019 respectively. The proforma consolidated balance sheet as on March 31, 2019 and as of June 30, 2019 gives effect to this transaction as if they had occurred on March 31, 2019 and June 30, 2019 respectively.

The assumptions and estimates underlying the adjustments to the proforma consolidated financial information are described hereinafter which should be read together with the proforma consolidated statement of profit and loss and proforma consolidated balance sheet.

The proforma consolidated financial information should be read together with the Group's restated consolidated financial statements included in the Draft Red Herring Prospectus.

2) Basis of preparation

The proforma consolidated financial information has been prepared by the management of the Group in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "ICDR regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a material acquisition, as mentioned in 1 above, made after the date of the latest period for which financial information is disclosed in the Offer Document but before date of filing of such Offer Document. The proforma consolidated financial information have been prepared specifically for inclusion in the Offer Document to be filed by the Company with SEBI in connection with proposed Initial Public Offering ("IPO") through Offer for sale by selling shareholders and fresh issue of its equity shares.

In accordance with the requirements of applicable ICDR regulations, the restated consolidated financial statements have been adjusted in the proforma consolidated financial information to give effect to events that are (1) directly attributable to the business combination i.e. acquisition of the Confectionary Business, (2) factually supportable, and (3) expected to have a continuing impact on the consolidated financial statements following the business combination.

The business combination has been accounted for under the acquisition method in accordance with Ind AS 103 'Business Combinations'. Accordingly, Group has provisionally allocated the purchase consideration to the estimated fair value of assets acquired and liabilities assumed from the Confectionary Business and recognised the difference between purchase consideration and net assets as goodwill in the proforma consolidated financial information as at March 31, 2019 and as at June 30, 2019.

The special purpose carve-out financial statements of the Confectionery Business have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and adjusted to comply with the Group's accounting policies in all material aspects (collectively referred to as "Summary of significant accounting policies" as appearing in the restated consolidated financial statements).

The special purpose carve-out financial statements of the Confectionary Business included in the proforma consolidated financial information for the year ended March 31, 2019 and three months period ended June 30, 2019 were adopted by the Board of Directors of FSCPL as of December 20, 2019.

The proforma balance sheet as at March 31, 2019 and as at June 30, 2019 has been prepared give effect to the Group's acquisition of the Confectionery Business of FSCPL as of March 31, 2019 as if the business combination happened on March 31, 2019 itself and as of June 30, 2019 as if the business combination happened on June 30, 2019 itself.

The proforma statement of profit and loss for the year ended March 31, 2019 and for the three months period ended June 30, 2019 combine the Group's consolidated statement of profit and loss for those periods respectively and the statement of profit and loss of the Confectionery

Business for those periods respectively as if the transaction occurred on April 1, 2018 and April 1, 2019 respectively. The financial year end of the Group and that of FSCPL is March 31.

These proforma consolidated balance sheet and statement of profit and loss do not give effect to any other transaction other than the acquisition of the Confectionery Business. The adjustments made to the proforma consolidated financial information are included in the subsequent sections.

Because of their nature, the proforma consolidated financial information addresses a hypothetical situation and therefore, do not represent Group's factual financial position or results. Accordingly, the proforma consolidated financial information does not necessarily reflect what the Group's financial condition or results of operations would have been had the acquisition occurred on the dates indicated and is also not intended to be indicative of expected financial position or results of operations in future periods. The actual balance sheet and statement of profit and loss may differ significantly from the proforma amounts reflected herein due to variety of factors.

The proforma adjustments are based upon available information and assumptions that the management of the Group believes to be reasonable. Such proforma consolidated financial information has not been prepared in accordance with generally accepted accounting principles including accounting standard and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been prepared in accordance with those principles and standards. Accordingly, the degree of reliance placed by anyone in other jurisdictions on such proforma consolidated information should be limited. In addition, the rules and regulations related to the preparation of proforma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation of these proforma consolidated financial information as set out in these notes.

The proforma consolidated financial information has been prepared taking into consideration:

a) the restated consolidated financial statements of the Group for the year ended March 31, 2019 and for three months period ended June 30, 2019;

b) the special purpose carve-out financial statements of the Confectionary Business for the year ended March 31, 2019 and three months period ended June 30, 2019;

c) adjustments to the proforma consolidated financial information arising from transactions between the Group and the Confectionary Business during the year ended March 31, 2019 and three months period ended June 30, 2019;

d) adjustments to recognise the impact of allocation of purchase consideration paid/payable by the Group;

e) adjustments to recognise expenditure incurred by the Group that are directly attributable to the business combination.

3) Adjustments to proforma consolidated financial information

(a) Intragroup elimination adjustments:

This represents intragroup elimination adjustments in respect of transactions between the Group and the Confectionary Business that have been eliminated from the proforma consolidated financial information in respective periods stated below:

Particulars	As of and for the year ended March 31, 2019 (All amounts in INR million)	As of and for the three months ended June 30, 2019 (All amounts in INR million)
Proforma Consolidated Statement of Profit and Loss		
Revenue from contracts with customers	5.13	1.00
Other income - Sale of services - Royalty - Recovery and reimbursement of expenses	 0.21 * 1.48	 0.10 - 0.10
Consumption of provisions, beverages, wines/liquor and smokes	5.13	1.00
Other expenses	1.69	0.20
Proforma Consolidated Balance Sheet		
Trade receivables	6.90	6.50
Other current assets	0.44	0.44
Trade payables	6.90	6.50
Other current liabilities	0.44	0.44

** Below rounding off norms*

(b) Acquisition related adjustments:

i) Purchase consideration for acquisition of the Confectionary Business has been segregated into current and non-current liabilities in the proforma consolidated financial information based on the contracted payment dates, as given in note 1 above.

Accordingly, for proforma consolidated balance sheet as at March 31, 2019 and as at June 30, 2019, the purchase consideration payable (INR 662.70 million) has been is reflected under following account captions:

Account caption	**As of March 31, 2019 (All amounts in INR million)**	**As of June 30, 2019 (All amounts in INR million)**
Other financial liabilities – non-current	497.02	331.35
Other financial liabilities – current	165.68	331.35
Total	**662.70**	**662.70**

Consequently, for the purpose of proforma consolidated statement of profit and loss for the year ended March 31, 2019 and three months period ended June 30, 2019, discounting impact of INR 45.59 million and INR 6.31 million has been considered for respective periods under the head 'Other income'.

ii) Liability has been recognized with respect to estimated transaction costs of INR 1.2 million for this acquisition, under the head 'Trade payables - Total outstanding dues of creditors other than micro enterprises and small enterprises'.

iii) Goodwill and intangible assets in the form of brand have been calculated on the basis of allocation of purchase consideration to assets acquired and liabilities assumed by the Group based on their respective fair values, as determined by an independent valuer on provisional basis. Accordingly:

- brand amounting to INR 300 million, valued by an independent valuer, has been recognized under the head 'Intangible assets' in the proforma consolidated balance sheet as at March 31, 2019 and as at June 30, 2019;

  Amortisation of brand, based on useful life of 20 years as assessed by the management, amounting to INR 15 million and INR 3.75 million has been considered for the year ended March 31, 2019 and three months period ended June 30, 2019 respectively. Further, deferred tax charge of INR 18.72 million and INR 4.68 million has been considered for respective periods in the proforma consolidated profit and loss towards difference between tax depreciation and amortization charged in books on the brand;

- goodwill of INR 256.28 million and INR 246.07 million has been recognised as at March 31, 2019 and as at June 30, 2019 respectively, being the excess of the aggregate of the purchase consideration over the fair value of net assets (including brand and estimated transaction cost) acquired and;

- the capital of Confectionary Business amounting to INR 107.62 million and INR 117.83 million as at March 31, 2019 and as at June 30, 2019 respectively has been eliminated.

Further, the goodwill computed in case of acquisition of the Confectionery Business is based on provisional purchase price allocation ("PPA") available with the Group as at March 31, 2019 and June 30, 2019. While performing the provisional PPA, the Group has considered the fair value of assets and liabilities acquired to be equal to their respective book values. Adjustment, resulting from changes in PPA due to movements in book values of net assets of the Confectionary Business from the aforesaid dates till October 1, 2019 based on the book value of the net assets of the Confectionary Business as on October 1, 2019 shall be carried out in the consolidated financial statements of the Group for the year ending March 31, 2020. Consequently, the value of the resultant goodwill could be materially different once the PPA valuation is completed. The forgoing is in line with the provisions of Ind AS 103 'Business Combinations' which provides one year window from the acquisition date for finalisation of initial accounting for a business combination.

(c) Earnings per share (EPS):

Proforma basic EPS calculation for the year ended March 2019 and three months period ended June 2019 has been based on proforma consolidated statement of profit and loss of respective year/period and the weighted average number of equity shares outstanding during those periods. The weighted average number of equity shares outstanding during the respective periods is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, proforma consolidated statement of profit and loss and the weighted average number of shares outstanding during the respective periods is adjusted for the effect of all potentially dilutive equity shares.

4) Use of proceeds

Though one of the objects of the proposed offering is to repay a part of the debt, since the proforma consolidated financial information has been prepared for purposes of illustrating the hypothetical impact of the acquisition of the Confectionary Business, no adjustment has been made for the use of proceeds or related transaction costs.

5) Other than as mentioned above, no additional adjustments have been made to the proforma consolidated balance sheet or the proforma consolidated statement of profit and loss to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2019 and June 30, 2019, respectively.

As per our report of even date

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

per Bhaswar Sarkar
Partner
Membership No. 55596

Place of Signature: Kolkata
Date: December 27, 2019

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

Atul Khosla Chief Financial Officer	**Vijay Dewan** Managing Director DIN: 00051164
Shalini Keshan Company Secretary	**Ashoke Ghosh** Director DIN: 00051311

Place of Signature: Kolkata
Date: December 27, 2019

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the three months ended June 30, 2019 and financial years ended March 31, 2019, March 31, 2018, and March 31, 2017 respectively ("**Audited Financial Statements**") are available at https://www.theparkhotels.com/corporate-information.html. We are providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any entity in which it or its shareholders have significant influence (collectively, the "**Company Group**") and should not be relied upon or used as a basis for any investment decision. None of the Company Group or any of its advisors, nor any BRLMs or Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Accounting ratios

The details of our accounting ratios are as follows:

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Apeejay Surrendra Park Hotels Limited
(All amounts in ₹ Millions, unless otherwise stated)

Particulars	Three months period ended 30 June 2019	Year ended		
		31 March 2019	31 March 2018	31 March 2017
Accounting Ratios				
Restated Earnings Per Equity Share (EPS) - Basic and Diluted				
Profit/(loss) after tax attributable to equity shareholders for basic and diluted EPS	(18.06)	97.51	(79.68)	102.77
(face value of each equity share - ₹ 1)#				
Weighted average number of equity shares at the end of the period (in million)	174.66	174.66	184.69	188.82
EPS (in ₹) - Basic and Diluted*	**(0.10)**	**0.56**	**(0.43)**	**0.54**
Return on Net worth				
Restated Profit/(Loss) for the period/year	(18.32)	97.16	(78.99)	103.19
Net Worth at the end of the period/year[1]	5,849.68	5,873.41	5,786.16	6,184.13
Return on Net worth (%) ^ 2	**(0.31)%**	**1.65%**	**(1.37)₹%**	**1.67%**
Net Assets Value Per Equity Share				
Net worth at the end of the period/year	5,849.68	5,873.41	5,786.16	6,184.13
Weighted average number of equity shares at the end of the period (in million)	174.66	174.66	184.69	188.82
Net Assets Value Per Equity Share (in ₹)#	**33.49**	**33.63**	**31.33**	**32.75**
Earnings before interest, tax, depreciation and amortization				
Restated profit/(loss) before share of profit(loss) of joint venture and tax	(28.99)	119.27	66.30	57.84
Add: Finance costs	117.64	498.30	418.89	441.08
Add: Depreciation and amortisation Expenses	78.32	309.87	306.14	274.93
EBITDA	**166.97**	**927.44**	**791.33**	**773.85**
Total Income	997.21	4,309.50	3,883.86	3,706.23

* Basic EPS and Diluted EPS for the three month period ended 30 June, 2019 are not annualized

^ Return on Net Worth % disclosed in above table is annualised. The return on net worth % for the three month period ended 30 June 2019 is (0.31)% (not annualised)

Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of ₹ 10 each has been split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹ 1 each. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

Notes:

1. Net Worth is derived from the Restated Financial Statements and is computed as the sum of the aggregate of paid up equity share capital and all reserves excluding foreign currency translation reserve and does not include non-controlling interests.

   The table below sets forth the components of Net Worth as at June 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, respectively:

(In ₹ million)

Particulars	Three months period ended 30 June 2019	Year ended		
		31 March 2019	31 March 2018	31 March 2017
Equity				
- Equity Share Capital	174.66	174.66	174.66	188.82
Total (A)	**174.66**	**174.66**	**174.66**	**188.82**
Other Equity				
- Capital Reserve	14.06	14.06	14.06	-
- Securities Premium	1,838.12	1,838.12	1,838.12	2,138.68
- General Reserve	787.39	787.39	787.39	801.45
- Retained Earnings	3,035.45	3,059.18	2,971.93	3,055.18
Total (B)	**5,675.02**	**5,698.75**	**5,611.50**	**5,995.31**
Net Worth (Total A+B)	**5,849.68**	**5,873.41**	**5,786.16**	**6,184.13**

2. Return on Net Worth is calculated as Restated Profit/Loss for the period/year divided by Net Worth at the end of the period/year.

   Net Asset Value per equity share is derived from the Restated Financial Statements and is calculated as net worth at the end of period/year divided by weighted average number of equity shares outstanding at the end of the period/year. Pursuant to a resolution of shareholders dated, October 25, 2019, each equity share of face value of ₹ 10 each has been split into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 17,466,176 equity shares of face value of ₹10 each to 174,661,760 equity shares of face value of ₹1 each. The calculation of Net Asset Value per Equity Share has been considered considering the impact of share split as stated above.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2019, which is derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 302 and 27, respectively, and the information therein is derived from "*Financial Statements*" on page 205.

(*₹ in million*)

Particulars	Pre-Offer as at June 30, 2019	As adjusted for the proposed Offer
Current borrowings	674.63	[●]
Non-current borrowings (including current maturities of long term borrowings)	4,286.67	[●]
Total borrowings (A)	**4,961.30**	**[●]**
Equity Share capital	174.66	[●]
Other Equity	5,675.02	[●]
Equity attributable to owners of parent company (B)	**5,849.68**	**[●]**
Sum of total borrowings and equity attributable to owners of parent company **(A+B)**	**10,810.98**	**[●]**
Ratio: Total Borrowings/ Equity attributable to owners of parent company **(A / B)**	**0.85**	[●]

Note 1 - The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Note 2: The above statement does not include lease liability disclosed as a separate line item on the face of balance sheet .The Group has adopted Ind AS 116 Leases, a new accounting standard which replaced the existing lease standard and became mandatory for reporting periods beginning on or after April 1, 2019. The Company has applied modified retrospective approach for transitioning to IND AS 116 with the right-of-use asset recognised at an amount equal to lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Further, as per option available under Ind AS 116, the Company has disclosed lease liability as a separate line item on the face of balance sheet.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of our business, for the purposes such as, *inter alia,* meeting our capital expenditure requirements, working capital requirements, reimbursement of existing capex, refinancing, procurement of raw materials, consumable stores, spares and tools and towards contractual performance guarantees. Our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities in relation to the Offer, such as, *inter alia,* change in our capital structure, change in our shareholding pattern, amendments to our constitutional documents and change in the composition of our Board.

Pursuant to our Articles of Association, subject to applicable laws and pursuant to a resolution dated September 29, 2014, passed by our shareholders, our Board has been authorised to borrow sums in excess of the aggregate of our paid-up share capital and free reserves, up to ₹ 7,000 million.

As on October 31, 2019, the aggregate outstanding borrowings of our Company amounted to ₹ 4,761.01 million. Set forth below is a brief summary of such borrowings:

Category of borrowing#	Sanctioned amount (in ₹ million)	Outstanding amount as on October 31, 2019* (in ₹ million)
Secured		
Indian rupee term loans	4,100	3,762.14
USD term loan	852.40 (1)	470.89(2)
Working capital facility	50	30
Cash credit facilities(3)	300	198.21
Sub-Total (secured)	**5,302.40**	**4,461.24**
Unsecured		
Working capital facilities	100	100
Overdraft	200	199.77
Sub-total (Unsecured)	**300**	**299.77**
Total	**5,602.40**	**4,761.01**

 # In addition to the borrowings specified in the table above, our Company has also availed vehicle loans from various lenders, as well as provided guarantees with respect to three vehicle loans availed by our wholly owned subsidiary, Apeejay Hotels & Restaurants Private Limited.

Further, the above table does not include lease liability disclosed as a separate line item on the face of balance sheet .The Group has adopted Ind AS 116 Leases, a new accounting standard which replaced the existing lease standard and became mandatory for reporting periods beginning on or after April 1, 2019. The Company has applied modified retrospective approach for transitioning to IND AS 116 with the right-of-use asset recognised at an amount equal to lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Further, as per option available under Ind AS 116, the Company has disclosed lease liability as a separate line item on the face of balance sheet.

** As certified by S.K. Mittal & Co., Chartered Accountants, pursuant to the certificate dated December 27, 2019.*

(1) As per the sanction letter dated August 11, 2017, the loan amount sanctioned was USD 13.30 million, which was converted to ₹ 852.40 million at an exchange rate of 1 USD = ₹ 64.09.

(2) The outstanding amount of USD 6.65 million as at October 31, 2019 has been converted into ₹ 470.89 million at an exchange rate of 1 USD = ₹ 70.81, as published by Financial Benchmark India Private Limited.

(3) This includes the secured working capital demand loan availed from ICICI Bank, being a sub-limit of the cash credit facility availed from ICICI Bank.

Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

1. ***Interest:*** With respect to certain fund-based facilities availed by us, pertaining to, *inter alia,* cash credit, working capital, and overdraft facilities, the interest rates are typically: (i) mutually agreed; (ii) linked to the marginal cost of funds based lending rate ("**MCLR**") of the specific lender, plus spread *per annum*; or (iii) stipulated by the lender at time of disbursement of each drawal on basis of repayment schedule thereof; and range from 9.60% to 10.50% *per annum*. The spread varies between different loans for different banks.

   With respect to term loans availed by us in Indian rupees, the interest rate is typically linked to the

MCLR of the specific lender, plus spread *per annum*; and ranges from 9.55% to 10.85% *per annum*. The spread varies between different loans for different banks. With respect to a term loan availed by us in USD, the interest rate is 4.54% *per annum*, which is linked to six-month London Interbank Offered Rate ("**LIBOR**") plus 250 basis points, as on date.

2. ***Penal Interest:*** The terms of the facilities availed by us prescribe penalties for certain events, such as, *inter alia,* delay in the repayment of principal instalment, interest, charges or other monies due on the facility; non creation of security for the respective facility; failure to create security for the respective facility within a stipulated timeframe; *etc*. The penal interest typically ranges from 1% to 4% per *annum*. These penalties are typically payable over and above the rate of interest applicable to the facilities.

3. ***Tenor and repayment:*** The tenor of term loans availed by us typically ranges from four to 12 years, and these are typically repayable in structured instalments.

   The overdraft and cash credit facilities availed by us are typically repayable on demand. With respect to the working capital facilities availed by us, these are typically repayable on demand, or principal amount of each tranche/drawdown/disbursement is typically repayable on respective maturity dates or in instalments as agreed upon, with tenor of each tranche/drawdown/disbursement ranging to a maximum of 360 days.

4. ***Prepayment:*** Certain facilities require prior written consent before prepayment of the facilities. Certain facilities carry a pre-payment penalty which may be levied at the discretion of the lenders on the pre-paid amount. The pre-payment penalty payable, where stipulated, ranges from 0.25% to 3% under certain circumstances on the amount pre-paid, or on the balance outstanding. Certain facilities do not require payment of pre-payment penalty if pre-payment is effected from the proceeds of fresh equity share capital issued by the Company.

5. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   i. Create first *pari passu* charge on all current assets, including book debts of our Company, both present and future;
   ii. Create, or hypothecate by way of, first *pari passu* charge on stock of our Company;
   iii. Create exclusive first charge on credit card receivables;
   iv. Create first *pari passu* charge and/or equitable mortgages over certain immoveable properties of our Company; and
   v. Create security by way of hypothecation of plant and machinery as additional security.

   This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

6. ***Events of default:*** Borrowing arrangements entered into by our Company typically contain events of default as follows:

   i. Non-payment or defaults of any amounts including the principal, interest or other payment obligations;
   ii. Any representation or warranty proving to have been incorrect when made by our Company;
   iii. Failure to perform or observe any of respective obligations, or breach of performance of covenant or condition under loan documentation, which is not rectified in the grace period;
   iv. Levy of attachment, execution or other process against our Company;
   v. Failure to create or perfect security within stipulated timeframe;
   vi. Insolvency, suspension of payment of debts, winding up, cessation of business of our Company;
   vii. Ceasing or threatening to cease to carry on business;
   viii. Change in control without the prior written consent of the lender;
   ix. Occurrence of any event or condition, which in the lender's opinion constitutes or could constitute a material adverse effect on our business conditions or our ability to perform the obligations under the borrowing arrangement; and
   x. Cross default with other facilities or financial assistance availed by our Company from the entities forming part of the lender's group or other lenders.

The above is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

7. ***Consequences of events of default:*** In terms of our financing arrangements availed by us, in case of an event of default, our lenders may undertake the following actions, among others, as consequences of occurrence of such events of default:

   i. Accelerate the facilities and declare all amounts outstanding to become due and payable immediately;
   ii. Enforce security and other rights as available under the loan documentation;
   iii. Restrict us from declaring any dividend on our share capital;
   iv. Review and restructure the management set up of our Company;
   v. Appoint a nominee director and/or observer on our Board;
   vi. Convert the entire facility or unpaid obligations and other monies payable under the facility into fully paid-up equity shares;
   vii. Suspend further access/drawals by our Company to use, either in whole or in part, of the facility;
   viii. Terminate either whole/part of the facilities.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

8. ***Key Restrictive covenants*:** Our Company, under the financing arrangements availed by it, requires the relevant lender's prior written consent for carrying out certain actions, including:

   i. effecting changes in the capital structure of our Company;
   ii. effecting changes in the management of our Company, including but not limited to terms of appointment of our directors and the remuneration payable to them;
   iii. declaring or paying any dividend or authorizing or making any distribution to our shareholders unless our Company has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid, or such distribution is to be made, or our Company has made provisions therefore satisfactory to the lender;
   iv. carrying out any material change in our business;
   v. changing our constitution, composition or undertaking or permitting any merger, demerger, consolidation, reorganization, dissolution or reconstitution, or effecting any scheme of amalgamation or reconstruction, *etc*.;
   vi. change in control of our Company, beyond certain prescribed thresholds;
   vii. amending the memorandum of association and articles of association;
   viii. entering into single or series of transactions to sell, lease, transfer or dispose of assets of our Company other than in ordinary course of business;
   ix. giving any guarantee, indemnity or similar assurance except as permitted under the loan documentation;
   x. incurring or causing to incur, any indebtedness in any manner whatsoever; and
   xi. changing the financial year of our Company from the end-date it has currently adopted or changing the accounting method or policies currently followed, unless expressly required by law.

The above is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

Further, certain financing arrangements include the following key covenants and terms:

   i. maintaining uniform margins of inventory and book debts;
   ii. maintaining insurance cover against risks on the security offered for the loans;
   iii. conducting receivables audit on a periodical basis;
   iv. maintaining debt-to-net worth ratios of typically 1.00 times;
   v. maintaining debt-to-earnings before interest, taxes, depreciation, and amortization ratios of typically 5.00 times;
   vi. maintaining debt service coverage ratios of typically 1.20 times;

vii. maintaining security or asset cover ratios, typically ranging from 1.20 times to 1.50 times;
viii. maintaining Board-approved risk management policy;
ix. maintaining Board-approved risk management policy;
x. ensuring that total working capital bank finance does not during subsistence of the facilities exceed maximum permissible bank finance limits; and
xi. maintaining credit ratings of at least “A-”, as awarded by external credit rating agencies.

The above is an indicative list and there may be additional key covenants and terms under the various borrowing arrangements entered into by us.

For further details of financial and other covenants required to be complied with in relation to our borrowing, see “*Risk Factors – Internal Risk Factors – We have incurred indebtedness which requires significant cash flows to service, and limits our ability to operate freely. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations. We will continue to have indebtedness and debt service obligations following the Offer.*” on page 44.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Financial Statements as of the three months period ended June 30, 2019 and the financial years ended March 31,2019, 2018, and 2017 including the related notes, schedules and annexures. Our Restated Financial Statements have been compiled from the interim Ind AS consolidated financial statements of the Group for the three months period ended June 30, 2019 prepared in accordance with Ind AS 34 and the annual Ind AS consolidated financial statements for the years ended March 31, 2019, March 31, 2019,2018 and March 31, 2017 prepared by the Group in accordance with Ind AS notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

The industry information contained in this section is derived from the reports entitled "Industry Report – Upper Tier and Upper Midscale Hotels" dated December 24, 2019 prepared by Horwath HTL and "Assessment of the Bakery, Café and Confectioneries Market in India" dated December 2019 prepared by CRISIL, which were commissioned by our Company in connection with the Offer. Neither we, the BRLMs nor any other person connected with the Offer has independently verified such industry information. References to hotel segments in this section are in accordance with the presentation in the Horwath HTL Report and we do not report our financial information by these segments. For details regarding the disclaimers issued by CRISIL and Horwath HTL in respect of the CRISIL Research Report and the Horwath HTL Report, respectively, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 17.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-Looking Statements" and "Risk Factors" on pages 19 and 27 of this Draft Red Herring Prospectus, respectively.

Overview

We are one of India's top 10 hospitality companies in the upscale segment and we have pioneered the concept of luxury boutique hotel in India under "THE PARK" brand, which has since been extended to our upper-midscale brand "Zone by The Park", according to the Horwath HTL Report. We own and manage hotels for over 50 years, with our first hotel being launched under our brand "THE PARK" at the iconic Park Street in Kolkata. We operate hotels under three brands, namely "THE PARK, "THE PARK Collection" and "Zone by The Park". As of the date of this Draft Red Herring Prospectus, we own and operate as well as manage 22 hotels in 15 cities across India, with 1,937 rooms. "THE PARK" hotels recorded RevPAR of approximately ₹4,900 and an occupancy rate of 90% for the year ended March 31, 2019, which is significantly higher than the average occupancy rate of 67% and RevPAR of ₹3,600 in the upscale segment.

We own and operate hotels under our own brands. We also operate hotels under our brands on operation and management contracts for third party owners. Our three brands are as follows:

"**THE PARK**" brand is positioned at the luxury boutique level, with a brand ethos that concentrates on design, style, and service to create differentiated and unique experiences at each hotel.

"**THE PARK Collection**" brand encompasses small luxury properties located in unique travel destinations targeted at the luxury hotel segment delivering personalized guest experiences.

"**Zone by The Park**" brand is positioned at the upper midscale level. The hotels focus on the "boutique" element, and offers differentiation to a wider market to which hotels under this brand are targeted.

At present, we have pan-India presence in metros such as Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, Delhi – NCR as well as in other major cities such as Coimbatore, Goa, Jaipur, Jodhpur, Jammu, Navi Mumbai, Raipur and Visakhapatnam.

We also operate a retail food and beverage business segment under the brand 'Flurys', which possesses a distinctive track record since it was first established as a tea room and confectionery shop in Kolkata. We operate under multiple formats such as kiosk format, café format and restaurant format. As of the date of this Draft Red Herring Prospectus, we operate 38 outlets in Kolkata, and one outlet each in Navi Mumbai and New Delhi. According to the CRISIL Research Report, we have outperformed our identified peers based on net profit margin for the recent Fiscals.

Our extensive experience in developing large scale hospitality business has resulted in us gaining a strong understanding of industry and market trends. Our vision of "Leadership through Differentiation" provides us with a competitive edge in our business, delivering consistently superior operating performance. Our vision is to ensure the profitability and growth of the company for the long-term benefit of our stakeholders.

We are part of the Apeejay Surrendra Group which is a leading Indian conglomerate. The group's business is spread across industries such as hospitality, shipping, tea, real estate, retail brands such as Oxford bookstores, and education.

We operate our hotels through a combination of the following: (i) direct ownership of hotel properties, (ii) long-term lease or license arrangements for the land and buildings, (iii) operation and management agreements on a contractual basis using our brand of hotels constructed by third parties. These diverse modes of business operations complement each other and enable us to efficiently allocate our capital and capitalise on our brand for achieving sustained growth. Our properties under development include the expansion of two of our existing owned hotels, and the addition of one owned hotel, 10 managed hotels and one leased hotel. The properties under our pipeline represent 1,536 rooms, which are expected to commence operations within the next three years.

The following table sets forth the revenue, room occupancy, ARR and RevPAR of our hotel properties for the years ended March 31, 2017, 2018 and 2019 and for the three months period ended June 30, 2019:

	Three months period ended June 30,	**Year ended March 31,**		
	2019	**2019**	**2018**	**2017**
Total Income (₹ in million)...	997.21	4,309.50	3,883.86	3,706.23
Rooms Occupancy (%)	86.02	89.70	90.75	88.59
Average Room Revenue (ARR) (in ₹)........................	4,904	5,435	5,147	4,716
RevPAR (in ₹)	4,218	4,876	4,671	4,178

Sale of food and beverage and sale of wine and liquor contributed to 37.23%, 39.15%, 41.53% and 40.79% of our total income for the years ended March 31, 2017, 2018 and 2019 and the three months period ended June 30, 2019, respectively. According to the Horwath HTL Report, "THE PARK" hotels' food and beverage revenue per available room is substantially higher than the average of all India 5-star hotels. This position reflects the strengths of our food and beverage and entertainment offerings. Our food and beverage business segments add a non-cyclical element to the seasonal hospitality industry and the synergy between our hospitality and food and beverage business segments allow us to extract greater value from pooled resources and technical know-how. Our consistent focus on achieving business and operational excellence has ensured sustained revenue growth. Sale of food and beverage and sale of wine and liquor for the years ended March 31, 2017, 2018 and 2019 and the three months period ended June 30, 2019 were ₹1,379.83 million, ₹1,520.58 million, ₹1,789.57 million and ₹406.80 million, respectively.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

Competition

We operate in a highly competitive hotel industry and our success in the hotel industry in India is dependent on our ability to compete with international, regional and local hotel companies, on various factors such as room rates, location of the property, the quality and scope of other amenities, including food and beverage facilities, quality of accommodation and service level as well as brand recognition of our hospitality partners. Competition also exists between each city that we operate and is affected by factors such as market perception, local culture, the ability of the location to successfully promote itself as a tourist destination, accessibility, infrastructure. We may also have to compete with alliances developed by our existing competitors and any new hotel properties that commence operation in the markets in which we operate or intend to commence operations. Our engagement with our hotel operators and brand licensors to enhance guest experiences and drive guest satisfaction is critical to compete and outperform other hotels in our markets. In addition, our ability to maintain consistent and high quality accommodations and services across our hotel portfolio, design and introduce new accommodations and services to meet customer demands, evolve our product offerings, keep up with customer requirements, deliver quality service as compared to our competitors and respond to competitive pressures in the hotel industry, will be critical to our results of operations in the future.

Non-compete obligations under certain operation and management agreements executed by our Company may prevent us from pursuing development or acquisition opportunities that could be beneficial to us.

The retail food and beverage industry in India is also highly competitive as the barriers to entry are low. We may have to compete with large and diverse groups of bakery chains, restaurants, cafes, coffee joints and individual operators. Our success in the retail food and beverage industry is dependent on disposable consumer income, consumer confidence and our ability to keep pace with the changing tastes of consumers. See "*Risk Factors – Internal Risk Factors - The hotel industry and retail food and beverage industry are intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*", "*Risk Factors – Internal Risk Factors - The success of our business is dependent on our ability to anticipate and respond to customer requirements. Our business may be affected if we are unable to identify and understand contemporary and evolving customer preferences or if we are unable to deliver quality service as compared to our competitors." and* "*Risk Factors – Internal Risk Factors - We expect to face competition for operation and management contracts."* on pages 37, 42 and 40 respectively.

Seasonality and Cyclicality of Business

The hotel and hospitality industry in India is seasonal in nature. The periods during which our properties experience higher revenues vary from property to property, depending principally upon location and the guest base served. Our revenues are higher during October to February of each financial year. Seasonality affects leisure and business travels subject to weekly variations: while leisure travel increases during weekends, business travel is high during weekdays. Seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and earnings.

The hospitality industry is cyclical, and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by hotels through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results of hotel properties. The costs of running a hotel tend to be more fixed than variable. These expenses include employee costs, utilities, insurance, property tax and other license fees. When demand for our hotels decreases, due to high operating leverage the resulting decline in our revenues can have an adverse effect on our net cash flow, margins and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth. Similarly, in conditions of economic upturns, when the demand for hotel rooms increases, due to high operating leverage, our net cash flow, margins and profits may increase disproportionately to the increase in revenues. See "*Risk Factors – Internal Risk Factors - Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows*." on page 29.

Changes in Consumer Demand

General economic growth in India and globally drives business and leisure travels which impact the success of our operations in the luxury and boutique hotel segments in India. In addition, the hotel industry and the demand for rooms is also affected by travel advisories, worldwide health concerns, geo-political developments, natural disasters in the region and inflation. Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence and adverse political conditions can lower the revenues and profitability of our hotels. Further, adverse general economic conditions may negatively impact the demand for, and occupancies in, our commercial and retail projects. As a result, changes in consumer demand can subject our operations and financial condition to volatility. See the following Risk Factors:

"*Risk Factors – External Risk Factors - A slowdown in economic growth in India could have an adverse effect on our business, results of operations, financial condition and cash flows*" on page 56;

"*Risk Factors – External Risk Factors - The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business*." on page 57; and

"*Risk Factors – External Risk Factors - Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.*" on page 57.

Relationship with Hotel Operators

We enter into hotel operation and management agreements with owners of hotels to render operation and management services with respect to the hotel including technical and pre-operation advice.

In some of the hotel operation and management agreements, the parties are entitled to early termination without cause by giving a prior written notice for a specified period. Further, in certain operation and management agreements entered by our Company, termination of the agreement by either of the parties in the lock-in period will make the other party liable to pay certain termination fees.

Our hotel operation and management agreement entered into with Hindva Hospitality LLP grants early termination rights to the Company upon the occurrence of certain events, such as (i) if the Company enters into a management and technical service agreement in the lock-in period, of a similar property as of the owner in a nearby location, (ii) on purchase of a similar property in a nearby location during the lock-in period, or (iii) if the Company fails to meet specified performance tests based upon the hotel's financial and operational criteria.

In addition, we may be required to indemnify hotel owners including for the breach of terms, covenants or performance of our obligations, under such operation and management agreements.

We intend to open 10 additional managed hotels, representing 1,132 rooms in the next three years. The success of this strategy will depend on our ability to maintain relationships with hotel owners, renew and enter into additional hotel operation and management agreements. See "*Our Business – Our Business Model*" and "*Risk Factors – Internal Risk Factors – We enter into hotel operation and management agreements to render operation and marketing services in relation to our managed hotels and are subject to risks related to such hotel operation and management agreements. Our operations and management agreements contain certain restrictive provisions.*" on pages 151 and 33, respectively.

Cost of land, third party contractors and construction materials

Our properties under development include the expansion of two of our existing owned hotels, and the addition of one owned hotel, 10 managed hotels and one leased hotel. The properties under our pipeline represent 1,536 rooms, which are expected to commence operations within the next three years. We intend to grow our portfolio through both organic and inorganic means. In our efforts to grow organically we face risks with regards to acquisition of the appropriate land and the development costs.

Land: The growth of our business is dependent on the availability of vacant land in areas where we intend to develop projects and cost thereof. Any change in regulations relating to land use including recent and proposed changes in land regulations which could increase or decrease the FSI available to us in our existing projects could have an impact on the growth of our business and operations.

Third Party Contractors and Development Costs: We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as notified and enforced by the central government and adopted with such modifications as may be deemed necessary by the respective state governments, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Accordingly, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. See "*Risk Factors – Internal Risk Factors – We rely on various contractors or third parties in* *developing our hotels, and factors affecting the performance of their obligations could adversely affect our projects.*” on page 53.

Government Regulations and Policies

Our business is subject to extensive governmental regulation with respect to safety, health, environmental, real estate, excise and labour laws, particularly in relation to the development of our projects. Regulations applicable during development include standards regarding land acquisition, the ratio of built-up area to land area, land usage, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditioned on, among other things, completion of the acquisition of the site and compliance with relevant conditions. Approvals must be obtained at both the national and local levels, and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business. Further, government regulations and policies of India, can also impact the demand for, expenses related to and availability of our hotel services and rooms. We are also subject to regulations, which are periodically amended, including relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events and weddings at our hotel properties. These regulations and policies can be extensive and any amendments thereto would require adequate time for implementation. Further, the regulatory and policy environment in which we operate is evolving and subject to change. For example, the Government of India implemented a comprehensive national goods and services tax (“**GST**”) regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. Generally, the GST rate applicable on room rates at all our hotels ranges between 12% to 18% of the declared room rate.

Our Company and our Subsidiaries require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business in India, depending on the location and the nature of operations carried out at such locations. As a result of non-compliance with, or changes in, the applicable regulations, we may incur increased costs, be subject to penalties, have our approvals and permits revoked, enforced shutdowns or suffer a disruption in our operations or other sanctions imposed by the regulatory authorities, any of which could materially and adversely affect our business, reputation financial condition, results of operations and prospects. For further details see, “*Risk Factors – Internal Risk Factors – We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise, property tax and labour laws. A failure to manage such risks or any non-compliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations, financial condition and cash flows.”* and “*Risk Factors – External Risk Factors – Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*” on pages 38 and 58 respectively.

Change in Preference of our Corporate and Tourism Guests and the Increased Use of Business-related Technology

Our business may be affected by the change in preference of our corporate guests who we generate a significant portion of our revenue from, due to evolving cost of travel, spending habits and budgeting pattern. Business hubs may shift within a city or interstate, which affects attractiveness of our hotel locations to corporate guests. The increased use of business-related technology may also decrease business travel. Similarly, changes in domestic tourism and preference of our tourism guests due to evolving cost of travel, spending habits and consumption patterns may impact the demand for our hotel rooms. See “*Risk Factors – Internal Risk Factors - Changes in travellers’ preferences due to increased use of telepresence equipment and other factors may adversely affect the demand for hotel rooms.*” on page 33.

Fixed Expenses

Many of the expenses associated with owning, leasing and managing hotels are relatively fixed. These expenses include maintenance of our hotel properties, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses and insurance payments. When demand for our hotels decreases, due to high operating leverage the resulting decline in our revenues can have an adverse effect on our net cash flow, margins and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth. Similarly, in conditions of economic upturns, when the demand for hotel rooms increases, due to high operating leverage, our net cash flow, margins and profits increases disproportionately to the increase in revenues. See “*Risk Factors – Internal Risk Factors – Our operations entail certain fixed costs and recurring costs, and our inability to reduce such costs during periods of low demand for our services may have an adverse* *effect on our business, results of operations, financial condition and cash flows. Further, we may be unable to obtain future financing on favourable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.*” on page 47.

Licence Fees

Our Company and ASMSL have on December 23, 2019 entered into a Brand Usage and Service Agreement, pursuant to which (i) ASMSL has granted our Company a license for the use of the trademarks - “Apeejay”, “Apeejay Surrendra” and the logo “ ”, owned by ASMSL, for a consideration of 0.33% of the turnover of the Company on standalone basis payable by the Company to ASMSL; (ii) ASMSL shall provide the advisory services with respect to insurance and related matters for an annual consideration of ₹ 2,500,000 payable by Company to ASMSL; and (iii) ASMSL shall provide advisory services on employee benefit schemes and related matters for a consideration of ₹ 1,500,000 payable by our Company to ASMSL, on such mutually agreed terms and conditions as set out in the Brand Usage and Service Agreement. There can be no assurance that we will not incur losses in the future due to a potential increase in operating and financing costs incurred to finance our growth and expansion or lower than expected increase in revenue. Accordingly, in the event that we were to incur losses in future, such licence fees will still be payable pursuant to the terms of the Brand Usage and Service Agreement. See “*History and Certain Corporate Matters – Shareholders’ agreements and other agreements*” on page 172.

Mix of Hotel Ownership Models

The mix of owned, leased and managed hotels in our hotel portfolio affects our results of operations in a given period. Our owned hotels have been and will continue to be the main contributor to our revenues. Within our hotel ownership model, while each hotel incurs certain upfront development costs and opening expenses, we generally expect more revenues and profit contribution once a hotel’s operations mature. We operate and derive profits from our leased hotels as if such hotels were owned by us. Under the long term lease arrangements, we pay a fixed rent to the hotel owner and, in certain instances, the owner benefits from the hotel’s performance via additional variable payments. Under the operation and management agreements, we are entitled to management fee including basic management fee which is a fixed percentage of the gross operating income of the hotel, marketing fee, an incentive fee linked to the gross operating profit of the hotel (which is either a fixed percentage of gross operating profit or variable based on growth in gross operating profits), and standard charges for reservation and loyalty programs *etc.*. We may also receive fee for technical services, design, pre-operating advice and license fee for brands, under our operating and management contracts. As such, our management model enables us to quickly expand our network without incurring significant capital expenditures or expenses.

Key indicators of operating performance

We use a variety of financial and other information in monitoring the financial condition and operating performance of our business. Our management also uses other information that may not be financial in nature, including statistical information and comparative data that are commonly used within the hospitality industry to evaluate a hotel’s financial and operating performance. Our management uses the following operational parameters to measure the performance of our owned and leased hotels:

Average daily rate (“**ADR**”) represents hotel room revenues divided by total number of room nights sold in a given period (including rooms that were available for only a certain portion of that period). ADR measures the average room price attained by a hotel or group of hotels, and ADR trends provide useful information relating to pricing policies and the nature of the guest base of a hotel or group of hotels. Changes in ADR have an impact on overall revenues and profitability.

Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period. Occupancy measures the utilization of our hotels’ available capacity. Our management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ADR levels as demand for hotel rooms increases or decreases.

Revenue per available room (“**RevPAR**”) is calculated by multiplying ADR charged and the average occupancy achieved. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenues or transport, telephone and other guest service revenues generated by a hotel. We consider RevPAR to be a meaningful indicator of our performance as it provides a metric correlated to two primary and key drivers of operations at a hotel or group of hotels: average occupancy and ADR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

RevPAR changes that are driven predominately by occupancy have different implications for overall revenue levels and hotel operating profit than changes driven predominately by ADR. For example, increases in occupancy at a hotel would lead to increases in room revenues, as well as incremental operating costs (including, but not limited to, housekeeping services, utilities and room amenity costs). RevPAR increases due to higher ADR, however, would generally not result in additional operating costs, with the exception of those charged or incurred as a percentage of revenue, such as credit card fees. As a result, changes in RevPAR driven by increases or decreases in ADR generally have a greater effect on operating profitability than changes in RevPAR driven by occupancy levels.

The table below sets forth certain key operating performance parameters for our hotels:

	Three months period ended June 30,	**Year ended March 31,**		
	2019	**2019**	**2018**	**2017**
Rooms Occupancy (%)	86.02	89.70	90.75	88.59
Average Room Revenue (ARR) (in ₹)................................	4,904	5,435	5,147	4,716
RevPAR (in ₹)	4,218	4,876	4,671	4,178
Room Revenue				
Room Revenue (A) (₹ in millions)	467.42	1,995.47	1,876.94	1,678.87
Room Revenue to Total Income (%)	46.87	46.30	48.33	45.30
Food and Beverage and Wine and Liquor				
Sale of Food and Beverage and Sale of Wine and Liquor (B) (₹ in millions)	406.80	1,789.57	1,520.58	1,379.83
Sale of Food and Beverage and Sale of Wine and Liquor to Total Income (%)..	40.79	41.53	39.15	37.23
Sale of Wine and Liquor (₹ in millions)	188.28	872.37	691.20	630.00
Sale of Wine and Liquor to Sale of Food and Beverage and Sale of Wine and Liquor (%)..	46.28	48.75	45.46	45.66
Management Fees				
Income from Management Fees (C) (₹ in millions)............	11.20	55.08	43.78	39.16
Income from Management Fees to Total Income (%)	1.12	1.28	1.13	1.06
Other Revenue				
Other Revenue(1) (D) (₹ in million)	111.79	469.38	442.56	608.37
Other Revenue to Total Income (%)	11.22	10.89	11.39	16.41
Total Income (A + B + C + D) (₹ in million)	997.21	4,309.50	3,883.86	3,706.23
Gross Operating Profit (GOP) (₹ in million)	209.85	1,142.98	991.16	938.84
Gross Operating Profit (GOP) (%)	21.04	26.52	25.52	25.33
EBITDA (₹ in million)	166.97	927.44	791.33	773.85
EBITDA(2) to Total Income (%)	16.74	21.52	20.37	20.88

Notes:

(1) The following table sets forth the breakdown of our Other Revenue, for the three months period ended June 30, 2019 and years ended March 31, 2019, 2018 and 2017:

	Three months period ended June 30,	**Year ended March 31,**		
	2019	**2019**	**2018**	**2017**
Other Revenue	**(₹ in million)**			
Other ancillary and allied service income	46.54	198.58	206.00	-
Telephone and Telex Services	-	-	-	4.00
Other Services (Banquet, spa, entry fee, Yacht hire charges etc.)	-	-	-	301.70
Shop rentals	5.68	22.70	22.70	22.70
Accrued duty exemption entitlement and other benefits	-	23.15	8.48	51.78
Income from government Grant	-	106.89	130.85	-
Liabilities no longer required written back	0.30	8.61	8.34	-
Membership and subscription fees	1.90	12.86	11.17	15.50
Interest income on advances, deposits and tax refunds	6.54	56.15	15.94	-
Interest on advances and deposits	-	-	-	8.59
Commission	0.30	1.39	2.22	3.20

Other Revenue	Three months period ended June 30,	Year ended March 31,		
	2019	2019	2018	2017
	(₹ in million)			
Rental income	1.73	5.28	7.19	7.20
Marked to market gain on financial instruments at fair value through profit and loss	-	-	-	-
Marked to market gain on derivatives	-	-	-	20.61
Net gain on foreign currency translation	1.30	-	-	-
Provision for doubtful debts no longer required written back	15.22	4.96	0.66	0.17
Liabilities no longer required written back	-	-	-	13.31
Insurance claim received	28.03	-	0.81	118.02
Interest Income on deferred employee loan	*	-	-	0.28
Profit on Sale of JV	-	-	-	0.15
Miscellaneous income	4.25	28.81	28.20	41.16
Total	**111.79**	**469.38**	**442.56**	**608.37**

**Below rounding off norms*

(2) Earnings before interest, tax, depreciation and amortisation (EBITDA) = Restated profit/(loss) before share of profit(loss) of joint venture and tax + Finance Costs + Depreciation and amortization expenses. For details, see "*Other Financial Information*" on page 294.

Significant Accounting Policies and Basis of Preparation and Compliance

Basis of preparation and compliance

The Restated Financial Statements comprising of the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at June 30, 2019 and as at March 31, 2019, March 31, 2018 and March 31, 2017, and Restated Ind AS Consolidated Summary Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Changes in Equity and Restated Ind AS Consolidated Summary Statement of Cash flows for three month period ended June 30, 2019 and each year ended March 31, 2019, March 31, 2018 and March 31, 2017 have been prepared specifically for inclusion in this Draft Red Herring Prospectus to be filed by the Group with the SEBI in connection with proposed IPO through Offer for sale by selling shareholders and fresh issue of its equity shares, to comply in all material respects with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");

(b) the SEBI ICDR Regulations; and

(c) Guidance Note on Report in Company Prospectus (Revised 2019) issued by the ICAI, as amended from time to time (the "**Guidance Note**").

The Restated Ind AS Consolidated Summary Statements have been compiled from Interim Ind AS Consolidated Financial Statements of the Group for the three month period ended June 30, 2019 and annual consolidated financial statements for year ended March 31, 2019, March 31, 2018 and March 31, 2017 prepared by the Group in accordance with Ind AS.

The Interim Consolidated financial statements of the Group as at and for three months ended June 30, 2019 have been prepared in accordance with principles of Ind AS 34 'Interim Financial Reporting', prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The consolidated financial statements are presented in Indian Rupees ("**INR**") and all values are rounded to the nearest million up to two decimal places, except otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company along with its subsidiaries as at June 30, 2019 and each year ended March 31, 2019, March 31, 2018 and March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;

- rights arising from other contractual arrangements;

- the Group's voting rights and potential voting rights; and

- the size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made if the amount is material to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31 and for three-month period ended June 30. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure

Subsidiaries

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12: Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Adjustments are made to the financial statements of subsidiaries, when considered necessary to align their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

  - derecognises the assets and liabilities of the subsidiary

  - derecognises the carrying amount of any non-controlling interests

  - derecognises the cumulative translation differences recorded in equity

  - recognises the fair value of the consideration received

  - recognises the fair value of any investment retained

  - recognises any surplus or deficit in profit or loss

  - reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Joint venture

A joint venture is a type of a 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 Group'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 Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognise the loss in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Summary of significant accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or the OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through the OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Current and non-current classification

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

- An asset is reported as current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classified all other liabilities as non-current.

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

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each Consolidated balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Property, plant and equipment and capital work-in-progress

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. On transition to Ind AS, the Group had elected to measure all of its property, plant and equipment at the previous GAAP carrying value (deemed cost).

The cost comprises purchase price and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and Loss for the period in which such expenses are incurred.

Capital work-in-progress comprises property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognied in the consolidated statement of profit and loss when the asset is derecognised.

Depreciation on Property, plant and equipment is calculated on pro rata basis on straight-line method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

Asset Category	**Estimated Useful Life (in years) as per Schedule II**	**Estimated Useful Life (in years) as per technical assessment**
Plant and Equipment and Electrical Installation	15	20
Office Equipment	5	6
Buildings	60	30-100
Furniture and 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 and laptops	3	6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Ships are depreciated over the period of twenty eight years.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination/acquisition is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

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 useful life is as follows:

Asset Category	**Useful life (in years)**

Computer software	5

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 consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 consolidated statement of profit and loss when the asset is derecognised.

Leases

The Group assesses 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.

Group as a lessee

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

Right-of-use asset

The Group 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, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and its estimated useful lives of the assets, as follows:

Land	30 to 99 years
Building	1 to 29 years

If ownership of the leased asset transfers to the Group 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.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The 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 Group uses the incremental borrowing rate at the lease commencement date if 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 remeasured if there is a modification, a change in the lease term, a change in the lease payments, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

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

For arrangements entered into prior to April 1, 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Short-term leases and leases of low-value assets

The Group 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's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss.

Group as a lessor

Leases in which the Group 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 other income in the statement of profit or loss. 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.

Borrowing costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

Impairment of non-financial assets

The carrying amounts of assets are reviewed at each consolidated balance sheet date, if there is any indication of impairment based on internal/external factors. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Impairment losses are recognised in the consolidated statement of profit and loss.

Inventories

Inventories comprise provisions and beverage, wine and liquor, stores and spares and other operating supplies such as crockery, cutlery, glassware, linen, etc. Inventories are valued at lower of cost and net realizable value.

Costs includes cost of purchase and other costs incurred in bringing the inventories at their present location and condition. Cost is determined on a weighted average basis.

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

Revenue from contract with customers and other streams of revenue

Revenue from contracts with customers is recognised when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration which the Group expects to realize in exchange for those goods or services and no significant uncertainty exists as regards the ultimate collectability of such consideration.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied following accounting policy for revenue recognition:

Revenue from sale of goods and services

Revenue includes room revenue, sale of food and beverage sale, sale of wine and liquor, other ancillary and allied service income. Performance obligations in contracts with customers are met through the stay of guest in the hotel or on sale of goods and on rendering of services as per the terms of contract with the customer.

Revenue is recognised at the transaction price allocated to the performance obligation and is recognised net of discounts, any entitlements that may accrue to the customer for subsequent utilization and sales related taxes in the period in which the services are rendered. The Group collects value added tax ("**VAT**") and Goods and Service Tax ("**GST**") on behalf of the government and not on its own account. Therefore, these are not economic benefits flowing to the Group and hence excluded from revenue i.e. revenue should be net of GST and VAT.

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

Other operating income

Other operating income is recognised as follows:

- revenue from hotel management fees are recognised on accrual basis on rendering of related services as per terms of underlying arrangements;
- exports entitlements arising out of Served from India Scheme ("**SFIS**") are recognised when the right to receive related benefits as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collectability of relevant export proceeds;
- in relation to laundry income, telephone income, internet income, health club income, spa services and other allied services, revenue is recognised on accrual basis on rendering of such services; or
- for other income from shop rentals, refer to below.

Other income

Other income is recognised as follows:

- interest income.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ("**EIR**"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets with respect to initial recognition and subsequent measurement below.

Contract liabilities

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

Foreign currency translation

The Group's financial statements are presented in Indian rupee ("**INR**") which is also the Group's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency item at the consolidated balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Employee benefits

Short-term employee benefits

All short-term employee benefits such as salaries, incentives etc. which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are charged to the profit and loss account. The Group estimates the liability for such short-term benefits on cost to Group basis.

Defined contribution plans

Retirement benefit in the form of provident fund is defined contribution scheme.

The Group recognises contribution payable to the provident fund as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds. The Group's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as incurred.

Defined benefit plans

The Group operates a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Remeasurements, comprising 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 consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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.

Other long-term employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and Loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Income taxes

Tax expenses comprise current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

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 income tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax ("**MAT**") paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of products and services with each segment representing a strategic business unit that offers different products and serves different markets.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs/assets and liabilities

Common allocable costs/assets and liabilities are allocated to each segment are consistently allocated amongst the segments on appropriate basis.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

Earnings per equity share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Provisions, contingent liabilities and capital commitments

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the consolidated statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pretax 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements. Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

Cash and cash equivalents

Cash and cash equivalents for the purposes of consolidated statement of cash flows comprise cash at bank and in hand, cheques in 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.

Financial instruments

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

Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified at the initial recognition as financial assets measured at fair value or as financials assets measured at amortised cost.

Subsequent measurement

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

- financials assets at amortised cost; and
- financials assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e., fair value through profit and loss), or recognised in OCI (i.e., fair value through other comprehensive income ("**FVTOCI**")).

Financials assets carried at amortised cost

A financials asset that meets the following two conditions is measured at amortised cost (net of Impairment) unless the asset is designated at fair value through profit and loss under the fair value option:

- Business model test: The objective of the Group's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes);

- Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financials assets at FVTOCI

Financials assets is subsequently measured at FVTOCI if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the fair value through profit or loss ("**FVTPL**") category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Financials assets at FVTPL

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

Impairment of financial assets

The Group assesses impairment based on expected credit losses ("**ECL**") model for the following:

- 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 115: Revenue from Contracts with Customers and

- other financial assets such as deposits, advances etc..

The Group follows “simplified approach” for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. 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.

As a practical expedient, the Group uses the provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the consolidated statement of profit and loss.

Financial liabilities

Initial recognition and measurement

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

The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

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

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

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the consolidated statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Derecognition

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

Financial guarantee contracts

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

Derivative financial instruments

The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk.

Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

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, its recognition as income in the consolidated statement of profit and loss is linked to fulfilment of associated export obligations.

The Group imports capital goods and avails concession for custom duty under Export Promotion Capital Goods Scheme (the "**Scheme**"). The quantum of duty concession availed is added to the carrying value of the particular property, plant and equipment and a corresponding deferred income recognised. Based on the terms and conditions of the Scheme, the grant received is to compensate the import of cost of assets subject to export obligation prescribed in the Scheme. The grant is recognised in the statement of profit and loss on the basis of fulfilment of related export obligation as prescribed in Ind AS Technical Facilitation Group issued by ICAI through clarification bulletin 11. Government grants relating to the purchase of property, plant and equipment are included in non-current/current liabilities as deferred government grant and credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

Significant accounting judgements estimates and assumptions

In the course of applying the policies outlined in all notes, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Recognition of deferred tax assets

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

Impairment of financial assets

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

Evaluation of indicators for impairment of assets

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

Provisions and liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of depreciable/amortizable assets

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

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including multiples and the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit ("**CGU**")'s fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in consolidated statement of profit and loss:

- service cost comprising current service costs, past service costs, gains and losses on curtailments and nonroutine settlements; and

- net interest expense or Income.

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 Consolidated 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.

Lease term – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Standards issued but not effective

The Group has applied the Companies (Indian Accounting Standards), Amendment Rules 2019 which is effective from 1 April 2019, while preparing the Restated Financial Statements.

Accordingly, the Group has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no Standards which are issued, but not yet effective.

Income and Expenses

Our income and expenditure are reported in the following manner:

Income

Total income consists of revenue from contracts with customers and other income.

Revenue from contracts with customers. Revenue from contracts with customers primarily comprises (i) income generated from occupied rooms; (ii) income from the sale of food and beverages; (iii) income from the sale of wine and liquor; (iv) income generated from services including transport service, laundry, spa and wellness services; (v) rental income received for meeting rooms, banquet space and business center; (vi) income received for equipment such as telecom and internet; (v) income received from management and incentive fees; and (vi) income received from government grants including credit received under the Scheme and SFIS and other ancillary facilities.

Other income. Other income primarily comprises interest income derived from bank deposits; rental income received for commercial spaces within our hotel assets such as offices and for telecommunication towers installed on our hotel roofs; and funds received from insurance companies for losses of profit and/or material damage claims in relation to flooding in Chennai which resulted in damages to our hotel.

Expenses

Expenses comprise consumption of provisions, beverages, wine and liquor and smokes, employee benefits expenses, finance costs, depreciation and amortisation expenses and other expenses.

Consumption of provisions, beverages, wine and liquor and smokes. Consumption of provisions, beverages, wine and liquor and smokes comprise expenses incurred towards consumption of food and beverages including alcoholic and non-alcoholic beverages, cigarettes, groceries and staple food.

Employee benefits expenses. Employee benefits expenses comprise salaries, wages, bonuses, staff welfare expenses, gratuities, contributions to the provident fund and other funds, and compensation for absences.

Finance costs. Finance costs comprise interest expenses paid by us for long-term loans and short-term borrowings, including working capital loans, processing fees, interest expenses on lease liability and incidental borrowing costs.

Depreciation and amortisation expenses. Depreciation and amortisation expenses comprise depreciation on tangible assets and amortisation of intangible assets.

Other expenses. Other expenses primarily comprise costs for repairs and maintenance, guest supplies, power, fuel and water and banquets; management and incentive fees; commissions paid to travel agents and commissions paid with respect to online media channels and credit cards; legal and professional fees; expenses for advertisements and business promotions; and rates and taxes.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss, as extracted from our Restated Financial Statements, for the three months period ended June 30, 2019 and years ended March 31, 2019, 2018 and 2017, the components of which are also expressed as a percentage of total revenue for such periods:

		Years ended		
	For three months period ended June 30, 2019	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
	(₹ in million)			
Income				

		Years ended		
	For three months period ended June 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017
	(₹ in million)			
Revenue from contracts with customers	939.84	4,212.91	3,828.84	3,493.54
Other income	57.37	96.59	55.02	212.69
Total income	**997.21**	**4,309.50**	**3,883.86**	**3,706.23**
Expenses				
Consumption of provisions, beverages, wines/liquor and smokes	152.80	687.00	596.70	563.76
Employee benefits expenses	211.02	809.39	802.81	765.10
Finance costs	117.64	498.30	418.89	441.08
Depreciation and amortisation expenses	78.32	309.87	306.14	274.93
Other expenses	466.42	1,885.67	1,693.02	1,603.52
Total expenses	**1,026.20**	**4,190.23**	**3,817.56**	**3,648.39**
Restated profit/(loss) before share of profit/(loss) of joint venture and tax	(28.99)	119.27	66.30	57.84
Share of profit/(loss) of joint venture	-	2.84	0.82	(9.37)
Foreign currency translation reserve reclassified from other comprehensive income on discontinuance of equity method in relation to a joint venture	-	-	-	12.93
Restated profit/(loss) before tax	**(28.99)**	**122.11**	**67.12**	**61.40**
Tax expenses				
Current tax		29.63	19.94	20.40
Less: MAT credit entitlement	-	(29.17)	(19.89)	(20.40)
Adjustment of tax relating to earlier periods	-	15.42	-	-
Deferred tax charge/(credit)	(10.67)	9.07	146.06	(41.79)
Restated profit/(loss) for the period/year	**(18.32)**	**97.16**	**(78.99)**	**103.19**
Restated other comprehensive income/(loss) ("OCI")				
Items that will be reclassified to profit or loss in subsequent periods				
Exchange difference on translation of foreign operations	-	-	23.89	-*
Less: Foreign currency translation reserve reclassified to profit or loss on discontinuance of equity method in relation to a joint venture	-	(27.35)	-	(12.93)
Items that will not be reclassified to profit or loss in subsequent periods				
Re-measurements losses on defined benefit obligations	(8.27)	(14.55)	(5.18)	(12.28)
Income tax related to above items	2.60	4.29	1.61	3.79
Restated other comprehensive income/(loss) for the period/year, net of tax	**(5.67)**	**(37.61)**	**20.32**	**(21.42)**
Restated total comprehensive income/(loss) for the period/year, net of tax	**(23.99)**	**59.55**	**(58.67)**	**81.77**
Restated profit/(loss) for the period/year attributable to				
Equity shareholders of Parent Company	**(18.06)**	**97.51**	**(79.68)**	**102.77**
Non-controlling interests	**(0.26)**	**(0.35)**	**0.69**	**0.42**
Restated other comprehensive income/(loss) for the period/year attributable to				
Equity shareholders of Parent Company	**(5.67)**	**(37.61)**	**20.32**	**(21.42)**
Non-controlling interests	*****	*****	*****	*****
Restated total other comprehensive income/(loss) for the period/year attributable to				

		Years ended		
	For three months period ended June 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017
	(₹ in million)			
Equity shareholders of Parent Company	**(23.73)**	**59.90**	**(59.36)**	**81.35**
Non-controlling interests	**(0.26)**	**(0.35)**	**0.69**	**0.42**
Restated earnings per equity share				
Basic – ₹	**(0.10)**	**0.56**	**(0.43)**	**0.54**
Diluted - ₹	**(0.10)**	**0.56**	**(0.43)**	**0.54**

* Below rounding off norms

Three months period ended June 30, 2019

Income

Our total income was ₹997.21 million for the three months period ended June 30, 2019, comprising revenue from contracts with customers and other income.

Revenue from Contracts with Customers. Our revenue from contracts with customers was ₹939.84 million for the three months period ended June 30, 2019.

Other income. Our other income was ₹57.37 million for the three months period ended June 30, 2019.

Expenses

Our total expenses were ₹1,026.20 million for the three months period ended June 30, 2019, comprising consumption of provisions, beverages, wines/liquor and smokes, employee benefits expenses, finance costs, depreciation and amortisation expenses and other expenses.

Consumption of provisions, beverages, wines/liquor and smokes. Consumption expenses of provisions, beverages, wines/liquor and smokes was ₹152.80 million for the three months period ended June 30, 2019. Consumption expenses of provisions, beverages, wines/liquor and smokes as a percentage of total income for the period ended June 30, 2019 is 15.32%

Employee benefits expenses. Employee benefits expenses were ₹211.02 million for the three months period ended June 30, 2019, primarily comprising salaries, wages and bonus, contributions to provident and other funds, gratuity expense and staff welfare expense. Our number of on-roll employees was 1,749 employees as of June 30, 2019.

Finance costs. Finance costs were ₹117.64 million for the three months period ended June 30, 2019, primarily comprising interest expenses on borrowings from banks and others of ₹114.85 million; interest expense on lease liabilities of ₹1.98 million; and interest expense on others of ₹0.81 million.

Depreciation and amortisation expenses. Depreciation and amortisation expenses were ₹78.32 million for the three months period ended June 30, 2019.

Other expenses. Our other expenses were ₹466.42 million for the three months period ended June 30, 2019, primarily comprising power and fuel expenses of ₹104.78 million, rates and taxes of ₹36.35 million, commission of ₹46.87 million, legal and professional charges of ₹26.34 million and royalty and management service fees of ₹27.20 million.

Restated loss before tax

Our restated loss before tax was ₹28.99 million for the three months period ended June 30, 2019.

Tax expenses

Our tax expenses comprise deferred tax charge for the three months period ended June 30, 2019.

Deferred tax credit. Deferred tax credit was ₹10.67 million for the three months period ended June 30, 2019.

Restated loss for the period

Our restated loss for the period was ₹18.32 million for three months period ended June 30, 2019. Our restated loss for the period represented 1.84% of our total income for the three months period ended June 30, 2019.

Restated other comprehensive loss for the period, net of tax

Restated other comprehensive loss for the period, net of tax was ₹5.67 million for the three months period ended June 30, 2019.

Restated total comprehensive loss for the period, net of tax

Restated total comprehensive loss for the period, net of tax was ₹23.99 million for the three months period ended June 30, 2019.

Restated losses per equity share

Restated basic losses per equity share for the three months period ended June 30, 2019 were ₹0.10 and restated diluted losses per equity share for the three months period ended June 30, 2019 were ₹0.10.

Year ended March 31, 2019 compared to Year ended March 31, 2018

Income

Our total income increased by 10.96% to ₹4,309.50 million for the year ended March 31, 2019 from ₹3,883.86 million for the year ended March 31, 2018, due to an increase in revenue from contracts with customers and other income.

Revenue from Contracts with Customers. Our revenue from contracts with customers increased by 10.03% to ₹4,212.91 million for the year ended March 31, 2019 from ₹3,828.84 million for the year ended March 31, 2018, primarily due to an increase in our room revenue to ₹1,995.47 million for the year ended March 31, 2019 from ₹1,876.94 million for the year ended March 31, 2018, primarily in line with an increase in average room rate ("**ARR**") to ₹5,435 for the year ended March 31, 2019 from ₹5,147 for the year ended March 31, 2018; an increase in the sale of food and beverages to ₹917.20 million for the year ended March 31, 2019 from ₹829.38 million for the year ended March 31, 2018; an increase in the sale of wine and liquor to ₹872.37 million for the year ended March 31, 2019 from ₹691.20 million for the year ended March 31, 2018; and an increase in our income from management fees to ₹55.08 million for year ended March 31, 2019 from ₹43.78 million for the year ended March 31, 2018.

Other income. Our other income increased by 75.55% to ₹96.59 million for the year ended March 31, 2019 from ₹55.02 million for the year ended March 31, 2018, primarily due to an increase in interest on advances, deposits and tax refunds by 252.26% to ₹56.15 million for the year ended March 31, 2019 from ₹15.94 million for the year ended March 31, 2018.

Expenses

Our total expenses increased by 9.76% to ₹4,190.23 million for the year ended March 31, 2019 from ₹3,817.56 million for the year ended March 31, 2018, primarily due to an increase in consumption expenses of provisions, beverages, wines/liquor and smokes, employee benefits expenses, finance costs and other expenses and increase in depreciation and amortisation expenses.

Consumption of provisions, beverages, wines/liquor and smokes. Consumption expenses of provisions, beverages, wines/liquor and smokes increased by 15.13% to ₹687.00 million for the year ended March 31, 2019 from ₹596.70 million for the year ended March 31, 2018, in line with an increase in our sale of food and beverage from our hotels. Consumption expenses of provisions, beverages, wines/liquor and smokes as a percentage of total income for the year ended March 31, 2019 is 15.94%, whereas consumption expenses of provisions, beverages, wines/liquor and smokes as a percentage of total income for the year ended March 31, 2018 is 15.36%.

Employee benefits expenses. Employee benefits expenses increased by 0.82% to ₹809.39 million for the year ended March 31, 2019 from ₹802.81 million for the year ended March 31, 2018. Within this increase, there was an increase in salaries, wages and bonus to ₹718.72 million for the year ended March 31, 2019 from ₹702.46 million for the year ended March 31, 2018; an increase in contribution to provident and other funds to ₹48.49 million for the year ended March 31, 2019 from ₹48.00 million for the year ended March 31, 2018; an increase in gratuity expense to ₹14.31 million for the year ended March 31, 2019 from ₹12.75 million for the year ended March 31, 2018; partially offset by a decrease in staff welfare expenses to ₹27.87 million for the year ended March 31, 2019 from ₹39.60 million for the year ended March 31, 2018.

Finance costs. Finance costs increased by 18.96% to ₹498.30 million for the year ended March 31, 2019 from ₹418.89 million for the year ended March 31, 2018, primarily comprising:

- increase in interest expenses on borrowings from banks and others to ₹494.16 million for the year ended March 31, 2019 from ₹416.76 million for the year ended March 31, 2018;

- increase in interest expenses on lease liabilities to ₹2.93 million for the year ended March 31, 2019 from ₹1.56 million for the year ended March 31, 2018;

- and increase in other interest expenses to ₹1.21 million for the year ended March 31, 2019 from ₹0.57 million for the year ended March 31, 2018, in line with an increase in our average weighted indebtedness.

Depreciation and amortisation expenses. Depreciation and amortisation expenses increased by 1.22% to ₹309.87 million for the year ended March 31, 2019 from ₹306.14 million for the year ended March 31, 2018.

Other expenses. Our other expenses increased by 11.38% to ₹1,885.67 million for the year ended March 31, 2019 from ₹1,693.02 million for the year ended March 31, 2018, primarily as a result of:

- increase in power and fuel expenses by 7.39% to ₹363.61 million for the year ended March 31, 2019 from ₹338.59 million for the year ended March 31, 2018 due to an increase in the per unit cost of electricity and an increase in the price of fuel;

- increase in commission by 29.52% to ₹207.07 million for the year ended March 31, 2019 from ₹159.87 million for the year ended March 31, 2018 due to growth of businesses sourced through online channels for which the Company was required to pay commissions;

- increase in royalty and management service fees by 10.02% to ₹121.66 million for the year ended March 31, 2019 from ₹110.58 million for the year ended March 31, 2018 in line with a growth in our business;

- increase in net loss on foreign currency transactions by 1101.40% to ₹34.36 million for the year ended March 31, 2019 from ₹2.86 million for the year ended March 31, 2018 primarily due to market-to-market loss on foreign currency loans;

- increase in rates and taxes by 7.43% to ₹146.46 million for the year ended March 31, 2019 from ₹136.33 million for the year ended March 31, 2018 primarily due to increase in property tax resulted from revision by the Greater Chennai Corporation on our hotel in Chennai, and increase in licensing costs; and

- increase in travelling and conveyance by 5.94% to ₹101.19 million for the year ended March 31, 2019 from ₹95.52 million for the year ended March 31, 2018 in line with a growth in our business.

Restated profit before tax

Our restated profit before tax increased by 81.93% to ₹122.11 million for the year ended March 31, 2019 from ₹67.12 million for the year ended March 31, 2018.

Tax expenses

Our income tax expenses decreased by 82.92% to ₹24.95 million for the year ended March 31, 2019 from ₹146.11 million for the year ended March 31, 2018, primarily on account of a reduction in deferred tax charge by 93.79% to ₹9.07 million for the year ended March 31, 2019 from ₹146.06 million for the year ended March 31, 2018.

Restated profit/loss for the year

Our restated profit for the year ended March 31, 2019 was ₹97.16 million, as compared to our restated loss for the year ended March 31, 2018 which was ₹78.99 million.

Restated other comprehensive income/loss for the year, net of tax

Our restated other comprehensive loss for the year ended March 31, 2019, net of tax was ₹37.61 million, as compared to our restated other comprehensive income for the year ended March 31, 2018, net of tax which was ₹20.32 million.

Restated total comprehensive income/loss for the year, net of tax

Our restated total comprehensive income for the year ended March 31, 2019, net of tax was ₹59.55 million, as compared to our restated total comprehensive loss for the year ended March 31, 2018, net of tax which was ₹58.67 million.

Restated earnings per equity share

Our restated basic earnings per equity share for the year ended March 31, 2019 were ₹0.56, as compared to our restated basic losses per equity share for the year ended March 31, 2018 which were ₹0.43. Our restated diluted earnings per equity share for the year ended March 31, 2019 were ₹0.56, as compared to our restated diluted losses per equity share for the year ended March 31, 2018 which were ₹0.43.

Year ended March 31, 2018 compared to Year ended March 31, 2017

Income

Our total income increased by 4.79% to ₹3,883.86 million for the year ended March 31, 2018 from ₹3,706.23 million for the year ended March 31, 2017, due to an increase in revenue from contracts with customers, offset by a decrease in other income.

Revenue from Contracts with Customers. Our revenue from contracts with customers increased by 9.60% to ₹3,828.84 million for the year ended March 31, 2018 from ₹3,493.54 million for the year ended March 31, 2017, primarily due to an increase in our room revenue to ₹1,876.94 million for the year ended March 31, 2018 from ₹1,678.87 million for the year ended March 31, 2017, primarily in line with an increase in ARR to ₹5,147 for the year ended March 31, 2018 from ₹4,716 for the year ended March 31, 2017 and an increase in occupancy rate to 90.75% for the year ended March 31, 2018 from 88.59% for the year ended March 31, 2017; an increase in the sale of food and beverages to ₹829.38 million for the year ended March 31, 2018 from ₹749.83 million for the year ended March 31, 2017; and an increase in the sale of wine and liquor to ₹691.20 million for the year ended March 31, 2018 from ₹630.00 million for the year ended March 31, 2017.

Other income. Our other income decreased by 74.13% to ₹55.02 million for the year ended March 31, 2018 from ₹212.69 million for the year ended March 31, 2017, primarily due to decrease in insurance claim by 99.31% to ₹0.81 million for the year ended March 31, 2018 from ₹118.02 million for the year ended March 31, 2017.

Expenses

Our total expenses increased by 4.64% to ₹3,817.56 million for the year ended March 31, 2018 from ₹3,648.39 million for the year ended March 31, 2017, primarily due to increase in consumption expenses of provisions, beverages, wines/liquor and smokes, employee benefits expenses, depreciation and amortisation expenses and other expenses, partially offset by decrease in finance costs.

Consumption of provisions, beverages, wines/liquor and smokes. Consumption expenses of provisions, beverages, wines/liquor and smokes increased by 5.84% to ₹596.70 million for the year ended March 31, 2018 from ₹563.76 million for the year ended March 31, 2017, in line with an increase in food and beverage revenue from our hotels. Consumption expenses of provisions, beverages, wines/liquor and smokes as a percentage of total income for the year ended March 31, 2018 is 15.36%, whereas consumption expenses of provisions, beverages, wines/liquor and smokes as a percentage of total income for the year ended March 31, 2017 is 15.21%.

Employee benefits expenses. Employee benefits expenses increased by 4.93% to ₹802.81 million for the year ended March 31, 2018 from ₹765.10 million for the year ended March 31, 2017. Within this increase, there was an increase in salaries, wages and bonus to ₹702.46 million for the year ended March 31, 2018 from ₹666.75 million for the year ended March 31, 2017; an increase in contribution to provident and other funds to ₹48.00 million for the year ended March 31, 2018 from ₹33.12 million for the year ended March 31, 2017; an increase in gratuity expense to ₹12.75 million for the year ended March 31, 2018 from ₹9.20 million for the year ended March 31, 2017; partially offset by a decrease in staff welfare expenses to ₹39.60 million for the year ended March 31, 2018 to ₹56.03 million for the year ended March 31, 2017.

Finance costs. Finance costs decreased by 5.03% to ₹418.89 million for the year ended March 31, 2018 from ₹441.08 million for the year ended March 31, 2017, primarily due to:

- decrease in interest expenses on borrowing from banks and others to ₹416.76 million for the year ended March 31, 2018 from ₹438.72 million for the year ended March 31, 2017;

- decrease in interest expenses on lease liabilities to ₹1.56 million for the year ended March 31, 2018 from ₹1.85 million for the year ended March 31, 2017;

- and increase in other interest expenses to ₹0.57 million for the year ended March 31, 2018 from ₹0.51 million for the year ended March 31, 2017, in line with a decrease in our average weighted indebtedness.

Depreciation and amortisation expenses. Depreciation and amortisation expenses increased by 11.35% to ₹306.14 million for the year ended March 31, 2018 from ₹274.93 million for the year ended March 31, 2017.

Other expenses. Our other expenses increased by 5.58% to ₹1,693.02 million for the year ended March 31, 2018 from ₹1,603.52 million for the year ended March 31, 2017, primarily as a result of:

- increase in power and fuel expenses by 7.59% to ₹338.59 million for the year ended March 31, 2018 from ₹314.69 million for the year ended March 31, 2017 due to an increase in the per unit cost of electricity and an increase in the price of fuel;

- increase in commission by 95.49% to ₹159.87 million for the year ended March 31, 2018 from ₹81.78 million for the year ended March 31, 2017 due to growth of businesses sourced through online channels for which the Company was required to pay commissions;

- increase in royalty and management services fees by 4.60% to ₹110.58 million for year ended March 31, 2018 from ₹105.72 million for the year ended March 31, 2017 in line with a growth in our business;

- net loss on foreign currency transaction of ₹2.86 million for the year ended March 31, 2018;

- increase in strategic advisory and consulting fees by 31.41% to ₹ 77.40 million for year ended March 31, 2018 from ₹ 58.90 million for the year ended March 31, 2017 in line with a growth in our business;

- increase in rates and taxes by 9.63% to ₹136.33 million for the year ended March 31, 2018 from ₹124.35 million for the year ended March 31, 2017 primarily due to increase in property tax and licensing costs; and

- increase in travelling and conveyance by 20.03% to ₹95.52 million for the year ended March 31, 2018 from ₹79.58 million for the year ended March 31, 2017 in line with a growth in our business.

Restated profit before tax

Our restated profit before tax increased by 9.32% to ₹67.12 million for the year ended March 31, 2018 from ₹61.40 million for the year ended March 31, 2017.

Tax expenses

Our income tax expenses increased by 449.62% to ₹146.11 million for the year ended March 31, 2018 from a credit of ₹41.79 million for the year ended March 31, 2017, primarily on account of an increase in deferred tax charge by 449.50% to ₹146.06 million for the year ended March 31, 2018 from a deferred tax credit of ₹41.79 million for the year ended March 31, 2017.

Restated profit/loss for the year

Our restated loss for the year ended March 31, 2018 was ₹78.99 million, as compared to our restated profit for the year ended March 31, 2017 which was ₹103.19 million.

Restated other comprehensive income/loss for the year, net of tax

Our restated other comprehensive income for the year ended March 31, 2018, net of tax was ₹20.32 million, as compared to our restated other comprehensive loss for the year ended March 31, 2017, net of tax which was ₹21.42 million.

Restated total comprehensive income/loss for the year, net of tax

Our restated total comprehensive loss for the year ended March 31, 2018, net of tax was ₹58.67 million, as compared to our restated total comprehensive income for the year ended March 31, 2017 which was ₹81.77 million.

Restated earnings/losses per equity share

Our restated basic losses per equity share for the year ended March 31, 2018 which were ₹0.43, as compared to our restated basic earnings per equity share for the year ended March 31, 2017 which were ₹0.54. Our restated diluted losses per equity share for the year ended March 31, 2018 were ₹0.43, as compared to our restated diluted earnings per equity share for the year ended March 31, 2017 which were ₹0.54.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

		Year ended		
	For the three months period ended June 30, 2019	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
	(₹ in million)			
Net cash flows from Operating Activities	205.75	992.16	599.67	917.41
Net cash flows used in investing activities	(176.52)	(614.64)	(372.76)	(455.22)
Net cash flows used in financing activities	(12.01)	(416.63)	(184.87)	(454.11)

Operating Activities

Net cash flows from operating activities were ₹205.75 million for the three months period ended June 30, 2019. Our restated loss before tax were ₹28.99 million for the three months period ended June 30, 2019, and adjustments to reconcile the restated loss before tax to net cash flows primarily comprised finance costs of ₹117.64 million, depreciation and amortisation expenses of ₹78.32 million, and allowance for credit impaired debts and advances of ₹5.40 million for the three months ended June 30, 2019. Changes in our working capital for the three months period ended June 30, 2019 primarily comprised increase in financial assets of ₹21.27 million and increase in other assets of ₹32.82 million, which were partially offset by increase in trade payables of ₹26.85 million, decrease in inventories of ₹13.10 million and increase in financial liabilities of ₹18.05 million.

Net cash flows from operating activities were ₹992.16 million for the year ended March 31, 2019. Our restated profit before tax was ₹122.11 million for the year ended March 31, 2019, and adjustments to reconcile the restated profit before tax to net cash flows primarily comprised allowance for credit impaired debts and advances of ₹35.16 million, finance costs of ₹498.30 million and depreciation and amortisation expenses of ₹309.87 million for the year ended March 31, 2019. Changes in our working capital for the year ended March 31, 2019 primarily comprised increase in trade receivables of ₹34.52 million and decrease in other liabilities of ₹74.15 million, which were partially offset by increase in financial liabilities of ₹21.38 million, increase in trade payables of ₹121.02 million, decrease in financial assets of ₹45.17 million and decrease in inventories of ₹29.17 million.

Net cash flows from operating activities were ₹599.67 million for the year ended March 31, 2018. Our restated profit before tax was ₹67.12 million for the year ended March 31, 2018, and adjustments to reconcile the restated profit before tax to net cash flows primarily comprised of allowance for credit impaired debts and advances of ₹10.88 million, finance costs of ₹418.89 million and depreciation and amortisation expenses of ₹306.14 million. Changes in our working capital for the year ended March 31, 2018 primarily comprised increase in trade receivables of ₹29.58 million, increase in financial assets of ₹65.85 million and increase in inventories of ₹24.31 million, which were partially offset by decrease in trade payables of ₹129.47 million, decrease in other assets of ₹180.30 million, increase in provisions of ₹25.06 million and increase in financial liabilities of ₹8.15 million.

Net cash flows from operating activities were ₹917.41 million for the year ended March 31, 2017. Our restated loss profit before tax was ₹61.40 million for the year ended March 31, 2017, primarily as a result of finance costs of ₹441.08 million and depreciation and amortisation expenses of ₹274.93 million. Changes in our working capital for the year ended March 31, 2017 primarily comprised increase in inventories of ₹16.94 million, decrease in current/noncurrent other financial liabilities of ₹9.30 million and decrease in current/non-current other liabilities of ₹27.61 million which were partially offset by increase in current/non-current provisions of ₹34.71 million, increase in trade payables of ₹83.11 million, decrease in trade receivables of ₹10.81 million and decrease in current/non-current other financial assets of ₹55.20 million.

Investing Activities

Net cash flows used in investing activities were ₹176.52 million for the three months period ended June 30, 2019, primarily as a result of loans taken during the year of ₹139.09 million, and purchase of tangible property, plant, equipment and intangible assets of ₹58.41 million, which were partially offset by interest income of ₹20.98 million for the three months period ended June 30, 2019.

Net cash flows used in investing activities were ₹614.64 million for the year ended March 31, 2019, primarily as a result of purchase of tangible property, plant and equipment and intangible assets of ₹415.38 million, loans taken during the year of ₹209.45 million, funds placed in long-term deposits with bank of ₹0.06 million, and interest income of ₹5.19 million, which were partially offset by proceeds from sale of property, plant and equipment of ₹4.91 million and proceeds from sale of investments of ₹0.15 million for the year ended March 31, 2019.

Net cash flows used in investing activities were ₹372.76 million for the year ended March 31, 2018, primarily as a result of purchase of tangible property, plant and equipment and intangible assets of ₹391.96 million and payment from buy back of equity shares of ₹314.72 million, which were partially offset by proceeds from sale of property, plant and equipment of ₹26.81 million, loans repaid during the year of ₹277.63 million, funds withdrawn in long-term deposits with bank of ₹1.04 million, interest income of ₹28.34 million and proceeds from sale of investments of ₹0.10 million for the year ended March 31, 2018.

Net cash flows used in investing activities were ₹455.22 million for the year ended March 31, 2017, primarily as a result of purchase of tangible property, plant and equipment and intangible assets of ₹245.18 million, loans given during the year of ₹220.00 million, funds withdrawn in long-term deposits with banks of ₹0.83 million, which were partially offset by proceeds from sale of property, plant and equipment of ₹0.40 million, proceeds from sale of investments of ₹0.10 million and interest income of ₹8.63 million for the year ended March 31, 2017.

Financing Activities

Net cash flows used in financing activities were ₹12.01 million for the three months period ended June 30, 2019, primarily as a result of repayment of non-current borrowings of ₹55.10 million, payment of lease liabilities of ₹4.49 million and finance costs paid of ₹114.96 million, which were partially offset by proceeds from non-current borrowings of ₹9.70 million and net proceeds from current borrowings of ₹152.84 million for the three months period ended June 30, 2019.

Net cash flows used in financing activities were ₹416.63 million for the year ended March 31, 2019, primarily as a result of repayment of current borrowings of ₹33.07 million, repayment of non-current borrowings of ₹369.53 million, payment of lease liabilities of ₹7.34 million and finance costs paid of ₹495.37 million, which were partially offset by proceeds from non-current borrowings of ₹488.68 million for the year ended March 31, 2019.

Net cash flows used in financing activities were ₹184.87 million for the year ended March 31, 2018, primarily as a result of repayment of non-current borrowings of ₹1,080.60 million, payment of lease liabilities of ₹6.98 million and finance costs paid of ₹421.44 million, which were partially offset by proceeds from non-current borrowings of ₹1,186.70 million and net proceeds from current borrowings of ₹137.45 million for the year ended March 31, 2018.

Net cash flows used in financing activities were ₹454.11 million for the year ended March 31, 2017, primarily as a result of repayment of current borrowings of ₹372.15 million, repayment of non-current borrowings of ₹1,828.92 million, payment of lease liabilities of ₹6.21 million and finance costs paid of ₹462.05 million, which were partially offset by proceeds from non-current borrowings of ₹2,215.22 million for the year ended March 31, 2017.

Indebtedness

As of June 30, 2019, we had outstanding total borrowings of ₹4,961.30 million. Our break-down of our indebtedness is set out below:

	As of June 30, 2019
	(₹ in million)
(a) Long term borrowings	
Secured term loans	
From banks	
Rupee loans	3,486.18
Foreign currency loans	342.50
From others	
Rupee loans	7.50
Current maturities of long term borrowings	450.49
Total long term borrowings including current maturities of long term borrowings	**4,286.67**
(b) Short term borrowings:	
Secured	
Short term loans from banks	-
Working capital loans from banks	452.69
Unsecured	
Working capital loans from banks	199.78
Intercorporate deposit (repayable on demand)	22.16
Total short term borrowings	**674.63**
Total borrowings	**4,961.30**

Our total borrowings include long term borrowings which cover rupee loans and foreign currency loans from banks, rupee loans from other institutions, and non-current borrowings including interests accrued and due on borrowings; and short term borrowings which cover secured loans including working capital loans from banks, and unsecured loans including working capital loans from banks and intercorporate deposits.

Contractual Obligations and Commitments

As of June 30, 2019, our estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) was ₹343.15 million, and our estimated amount of export obligations was ₹2,150.53 million.

Purchase of property, plant and equipment and intangible assets

For the three months period ended June 30, 2019, purchase of property, plant and equipment and intangible assets amounted to ₹58.41 million.

For the year ended March 31, 2019, purchase of property, plant and equipment and intangible assets amounted to ₹415.38 million.

For the year ended March 31, 2018, purchase of property, plant and equipment and intangible assets amounted to ₹391.96 million.

For the year ended March 31, 2017, purchase of property, plant and equipment and intangible assets amounted to ₹245.18 million.

Contingent Liabilities (Net of Provision)

As of June 30, 2019, our contingent liabilities, as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for are as set out in the table below:

Particulars	**Amount** *(₹ in million)*
Claims against the Group not acknowledged as debt	
Disputed tax and duty for which the Group has preferred appeals before appropriate authorities	
Demand for land tax	3.11
Demand for entertainment tax	8.06
Demand for service tax	56.61
Demand for property tax	706.29
Guarantees	
Bank guarantees given to customs and other authorities	17.80
Corporate guarantee given by the Group on behalf of subsidiary	3.78

For details of such contingent liabilities as per Ind AS 37, see *"Financial Statements – Annexure XXXV – Restated Ind AS Consolidated Summary of Information relating to contingent liabilities (net of provision)"* on page 263.

Off-Balance Sheet Commitments and Arrangements

We do not have any Ind AS 37 off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

Credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables from customers

We do not have any significant credit exposure in relation to revenue generated from the hospitality business. For our other segments, we have established a credit policy under which each new customer is analysed individually for creditworthiness before entering into a contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authorities. There are no significant concentrations of credit risk.

Currency risk

We are exposed to currency risk on account of our operating and financing activities. Our functional currency is Indian Rupee. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. We have outstanding foreign currency loan from a bank of ₹ 573.10 million as of June 30, 2019, which also exposes us to currency risk. Consequently, we use derivative instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. We enter into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. We use derivatives to manage market risk.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 27. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of the Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 143 and 302, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for years ended March 31, 2019, 2018 and 2017 and the three months period ended June 30, 2019, please see section "*Related Party Transactions*" on page 202.

Competitive Conditions

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 143, 106 and 27, respectively for further information on our industry and competition.

Seasonality of Business

The hotel and hospitality industry in India is subject to seasonal variations. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the guests served. Our revenues are generally higher during the second half of each financial year as compared to first half of the financial year. Seasonality affects leisure travel and the MICE sector (meetings, incentives, conferences and events) including weddings. According to the Horwath HTL Report, the winter months are preferred for travel in India, for leisure, MICE events, management or business travel and more recently for destination weddings. Further, inbound foreign leisure travel varies more with climatic factors, such that it mainly occurs between October and March and to a lesser extent (with lower visitor profile and travel budgets) during the summer and monsoon seasons, as per the Horwath HTL Report. This seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings. Further, the timing of opening of newly constructed hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter. Further, the hospitality industry is subject to weekly variations. While business travel is high during the weekdays, leisure travel is picking up during weekends encouraged by greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity.

Further, the hospitality industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic indicators. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. As a result, in an environment of declining revenues the rate of decline in profits can be higher than the rate of decline in revenues. As a result of such seasonal fluctuations, our room rates, sales and results of operations of a given half of the financial year may not be reliable indicators of the sales or results of operations of the other half of the financial year or of our future performance. See "*Risk Factors – Internal Risk Factors - Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows*." on page 29.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 143, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant developments subsequent to June 30, 2019

The Company has undertaken a share split on October 25, 2019, pursuant to which each equity share of face value of ₹10 each was split into ten equity shares of face value of ₹1 each. See "*Capital Structure – Share capital history of our Company*" on page 79.

Our Company entered into the Business Transfer Agreement dated December 19, 2019 for the acquisition of the confectionery business of Flury's Swiss Confectionery including all the assets, liabilities, business know-how, contracts, permits, records, any incorporeal assets, any benefits or incentives granted or accrued on Flury's Swiss Confectionery by any regulatory or statutory body, as a going concern on an 'as is where is' basis with effect from October 1, 2019. See "*History and Certain Corporate Matters – Details regarding material acquisition or divestment of business / undertakings, and mergers and amalgamation in the last ten years*" on page 171.

Our Promoters have entered into the share transfer agreement with the Investors dated December 26, 2019, pursuant to which 3,999,760 Equity Shares representing 2.29% of the Equity Share capital of our Company will be transferred by the Investors to the Promoters and designated affiliates of Promoters, in lieu of the consideration for (i) transfer of Flury's Swiss Confectionery's confectionery business to the Company, (ii) termination of the royalty agreement entered between our Company and ASMSL, (iii) termination of the service agreement entered between our Company and ASMSL dated December 23, 2019 and (iv) execution of the Brand Usage and Service Agreement between our Company and ASMSL dated December 23, 2019. See "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 172.

Except as set out in this section and in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Recent Accounting Pronouncements

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters (collectively, the "**Relevant Parties**"); (ii) outstanding actions taken by regulatory and statutory authorities involving the Relevant Parties; (iii) outstanding claims involving the Relevant Parties relating to any direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and total amount involved); and (iv) other pending litigation involving the Relevant Parties which are determined to be material by our Board, as per the policy on materiality ("**Materiality Policy**") adopted by our Board vide its resolution dated December 21, 2019, in accordance with the SEBI ICDR Regulations.In terms of the Materiality Policy, for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, outstanding statutory and regulatory actions and taxation matters, shall be considered material if the aggregate monetary amount of the claim by or against the Relevant Parties (individually or in aggregate) in any such outstanding litigation is in excess of ₹ 10.77 million (being 0.25 % of ₹ 4309.50 million, i.e. our total income in Fiscal 2019 as derived from the Restated Financial Statements), or ₹ 10 million, whichever is lower; and any other pending litigation, wherein the monetary liability is not quantifiable, but an adverse outcome of which would materially and adversely affect the business, operations, financial position or reputation of our Company, shall be considered as material.*

In terms of the Materiality Policy, pre-litigation notices received by the Relevant Parties, from third parties (excluding show cause notices issued by statutory or regulatory authorities), shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

Further, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five Fiscals including any outstanding action.

As of the date of this Draft Red Herring Prospectus, we do not have any group company, as defined under the SEBI ICDR Regulations.

Except as stated in this section, there are no other outstanding dues to material creditors of our Company. In terms of the Materiality Policy, the creditors of our Company to whom the outstanding amounts due by our Company exceed ₹ 22.74 million (being 5.00% of ₹ 454.87 million, i.e. the total consolidated trade payables as derived from the latest Restated Financial Statements), shall be considered as 'material'. Accordingly, a creditor has been considered material if the amount due to such creditor exceeds ₹ 22.74 million as on June 30, 2019.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. Litigation against our Company

Criminal Proceedings

1. Santosh Kumar lodged an FIR against the management of our hotel, the Park Hotel, Bengaluru, at the Halasuru police station, before the Metropolitan Magistrate (Traffic-Court-1), Mayohall, Bangalore City ("**Metropolitan Magistrate**"), alleging violation of Section 2 of the Prevention of Insults to National Honours Act, 1971, on account of alleged disrespect/insult caused to the national flag by tying it upside down in the hotel premises. The Sub Inspector of Police, Halasuru police station filed a charge sheet before the Metropolitan Magistrate. The matter is currently pending.

2. Vishal Kumar Rathore ("**Complainant**") lodged an FIR against the bouncers and club management of I-Bar, a bar in our hotel, The Park, Bengaluru, under certain provisions of the Indian Penal Code, 1860 ("**IPC**") at the Halasuru police station before the Court of the Tenth Additional Chief Metropolitan Magistrate, Mayohall, Bangalore City ("**Magistrate**"). The Complainant alleged that in a skirmish with another patron of the bar, the bouncers and club management of I-Bar intervened and beat up the Complainant. The Halasuru police department has filed a charge sheet alleging commission of offence

under Sections 323, 341 read with Section 34 of the IPC in the matter before the Magistrate. The matter is currently pending.

Actions by statutory or regulatory authorities

1. The Deputy L&DO-III, Land and Development Office ("**L&DO**") of the Ministry of Urban Development, Government of India sent a breach notice dated August 22, 2012 and a demand letter dated March 14, 2013 ("**2013 Demand Letter**") to one of our hotels, The Park, New Delhi. In the 2013 Demand Letter, the L&DO raised a demand of approximately ₹ 54.06 million with retrospective effect from 1985, for alleged breaches pertaining to unauthorised construction, misuse of hotel premises and claims for ground rent; along with interest for belated payments. The regularisation of the alleged breaches and withdrawal of the right of re-entry into the hotel premises, were also subject to certain terms and conditions, such as, *inter alia* our Company furnishing an undertaking to the effect that we will pay the difference of misuse/damage charges if the land rates are revised with effect from April 1, 2000 by the Government of India, and that we will also remove the breaches or get them regularised beyond the period for which the charges have been paid. Further, the 2013 Demand Letter specified that in the event of non-payment of such demand amount, we would be liable to pay interest at a rate of 10 per cent *per annum* on the total dues, and additional damages, charges and ground rent as may be specified.

   Pursuant to further correspondence, the L&DO sent fresh demand letters dated December 11, 2013 and August 6, 2014, whereby it confirmed that the hotel was found to be free from breaches, as on the date of inspection conducted thereof, and the demand amount with respect to regularisation charges of past breaches was revised to approximately ₹ 52.42 million. We have continued to contest levy of such demand amount in our correspondence with the Land and Development Office, the last such correspondence being our communication dated November 16, 2016. The matter is currently pending.

2. The Chief Architect, Department of Architecture & Environs, New Delhi Municipal Council, issued a show cause notice dated September 2, 2019 to our hotel, The Park, New Delhi, under Section 250 of the New Delhi Municipal Council Act, 1994, in relation to alleged misuse of open space as a covered restaurant-cum-bar in the hotel premises. Our Company replied to such notice on September 4, 2019, submitting that there has been no unauthorized construction of covered restaurant-cum-bar in the said area, nor any misuse of open space for commercial activities. The matter is currently pending.

3. The Regional Provident Fund Commissioner-II, Regional Office of the Employees' Provident Fund Organisation at Vishakhapatnam issued a show cause notice dated July 1, 2019, to our hotel, The Park, Vishakhapatnam ("**TPVZ**"), in relation to alleged non-compliance with provisions of the Employees' Provident Fund Scheme, 1952 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, including, *inter alia*, alleged failure to complete the seeding of KYC to Universal Account Number ("**UAN**") in respect of certain employees engaged by TPVZ and by its contractors. TPVZ replied to the notice, submitting that remedial measures to comply with the aforesaid provisions and the seeding process are being undertaken. The matter is currently pending.

4. Pursuant to a lease deed dated August 8, 2007, executed by and between the Jaipur Development Authority ("**JDA**") and the Company, the JDA granted leasehold rights in favour of the Company. The JDA has, from time to time, sent letters/notices directing the Company to clear its dues of annual lease rent for the period starting from the year 2008 onwards. The JDA last issued a notice to our Company on December 12, 2019 under Sections 256 and 257 of the Rajasthan Land Revenue Act, 1956, raising a demand for outstanding dues of annual rent aggregating up to ₹ 22.13 million, coupled with interest payable amounting to approximately ₹ 17.82 million. The matter is currently outstanding.

Other material outstanding litigation against our Company

As on the date of this Draft Red Herring Prospectus, there is no other outstanding litigation against our Company, which has been considered material by our Company in accordance with the Materiality Policy.

B. Litigation by our Company

Criminal Proceedings

1. We have initiated three criminal proceedings under Section 138 of the Negotiable Instruments Act, 1881 ("**NI Act**") in respect of dishonour of cheques of an aggregate amount of approximately ₹ 4.61 million. These matters are currently pending.

2. Our hotel, The Park, Hyderabad ("**TPHYD**"), lodged an FIR at Panjagutta police station, Hyderabad, against Carmel Vimal Rajan ("**Accused**"), who formerly worked in a spa at TPHYD as an associate director, before he went on sick leave on April 27, 2019. It was alleged that on the same date, TPHYD discovered that the Accused had collected membership fees from various guests in cash to the tune of approximately ₹ 0.43 million, without issuing any receipt to such guests. TPHYD issued a show cause notice dated April 27, 2019 to the Accused in this regard. Having received no response to the same, TPHYD filed the FIR against the Accused under Sections 406 and 420 of the IPC. The matter is currently pending.

Other material outstanding litigation by our Company

1. Our Company sent a demand notice/invoice dated May 21, 2019 to Gurusukh Vintrade Services Private Limited ("**Corporate Debtor**"), demanding payment under the Insolvency and Bankruptcy Code, 2016 and the rules thereunder, as amended, in respect of unpaid operational debt/outstanding dues to the tune of approximately ₹ 14.60 million ("**Operational Debt**") under the management and technical services agreement dated September 26, 2012, executed between our Company and the Corporate Debtor with respect to our managed hotel, Zone by the Park, Raipur. Having received no reply to this notice, our Company filed an application ("**Application**") under Section 9 of the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal, Cuttack bench ("**NCLT, Cuttack Bench**") for initiating corporate insolvency resolution process against the Corporate Debtor in respect of the Operational Debt. The NCLT, Cuttack bench has admitted our Application and appointed an insolvency resolution professional in its order dated November 14, 2019. The matter is currently pending.

2. Our Company filed a petition under Section 9 of the Arbitration Act ("**Petition**") before the High Court of Delhi, against Silver Streak Hotels Private Limited ("**Respondent**") with respect to certain disputes having arisen between our Company and the Respondent in relation to the management and technical services agreement dated July 4, 2014 ("**MTS Agreement**"). Pursuant to the MTS Agreement, our Company had undertaken to provide technical services, pre-operational advice and co-ordination in respect of launch of the Zone by the Park, Mahabalipuram to the Respondent in lieu of management fee to be paid to our Company. The MTS Agreement provided for a termination fee to be paid by the Respondent in the event such agreement is terminated prior to the expiry of five years from the opening date of operations (as defined under the MTS Agreement). The Respondent issued a notice for termination of the MTS Agreement on September 27, 2016 pursuant to which disputes arose between our Company and the Respondent in relation to the termination fee. Subsequently, the Respondent offered our Company approximately ₹ 12.50 million ("**Settlement Amount**") as full and final settlement of our claims under the MTS Agreement which was accepted by our Company. However, the Respondent failed to pay our Company the Settlement Amount. Our Company, pursuant to the Petition has prayed for, *inter alia*, payment of the Settlement Amount and restraining the Respondent from creating third party interest in the property described in the MTS Agreement. The High Court of Delhi ("**High Court**") vide its orders dated April 16, 2018 and May 23, 2018, *inter alia* directed the Respondent to deposit the Settlement Amount and restrained the Respondent from creating any third party interest or parting with the possession of the property described in the MTS Agreement until such Settlement Amount is deposited. Further, our Company filed a petition before the High Court under Section 11 of the Arbitration Act, seeking appointment of a sole arbitrator for adjudicating said disputes between our Company and the Respondent. The High Court vide its order dated November 20, 2018, *inter alia*, allowed the petition and appointed a nominee arbitrator on behalf of the Respondent. The arbitration proceedings are currently pending.

II. LITIGATION INVOLVING OUR SUBSIDIARIES

Our Subsidiaries are not involved in any outstanding litigation.

III. LITIGATION INVOLVING OUR PROMOTERS

A. Litigation against our Promoters

Criminal Proceedings

There are no outstanding criminal proceedings against our Promoters.

Actions by statutory or regulatory authorities

There are no outstanding actions initiated by statutory or regulatory authorities against our Promoters.

Other material outstanding litigation against our Promoters

1. Life Insurance Corporation of India ("**LIC**") filed two applications before the Estate Officer, LIC, Eastern Zone, Kolkata ("**Estate Officer**"), on May 9, 1986, praying *inter alia* for initiation of eviction proceedings against Flury's Swiss Confectionery and Chandan Basu ("**Opposite Party 2**"), in respect of the flat numbered 61 and godown numbered 100, Queen's Mansion, 12, Park Street, Kolkata – 700016 ("**Suit Premises**"), which were also held to be public premises under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971, as amended. LIC alleged that before determination of Flury's Swiss Confectionery's tenancy by a notice to quit dated March 9, 1983, Flury's Swiss Confectionery had wrongfully and illegally, and without previous consent of LIC, transferred, assigned or sublet the said flat in the suit premises to Opposite Party 2. Further, LIC alleged that despite service of said notice to quit and determination of Flury's Swiss Confectionery's tenancy, both Flury's Swiss Confectionery and Opposite Party 2 continued to remain in unauthorized occupation, and hence, were liable to be evicted therefrom.

   During the pendency of this proceeding, the Estate Officer heard LIC's application regarding Flury's Swiss Confectionery's liability to pay arrears of rent and occupational charges in respect of the Suit Premises, and passed an order dated February 11, 2015 ("**Order 1**") holding Flury's Swiss Confectionery liable for payment of accrued occupational charges/arrears of rent, at a rate of ₹ 3000 per month for the period from May 1, 1993 to January 31, 2015, aggregating up to ₹ 0.79 million, and for occupational charges at the rate of ₹ 100 per diem for continuing occupation of the Suit premises thereafter. Vide an order dated June 26, 2015, the Chief Bench, City Civil Court, Calcutta stayed the operation of Order 1 as regards the accrued occupational charges, but did not grant stay of the eviction proceedings before the Estate Officer. This matter is currently pending.

   Subsequently, the Estate Officer, in its order dated January 30, 2016 ("**Eviction Order**"), held that Flury's Swiss Confectionery was, and continued to remain in unauthorized occupation of the Suit Premises, and directed the eviction of Flury's Swiss Confectionery and all other persons in occupation thereof. Furthermore, the Estate Officer held that Flury's Swiss Confectionery and the Opposite Party 2 were liable to pay damages for the period of unauthorized occupation, from June 1, 1983 to January 2016, amounting to ₹ 15.68 million. Flury's preferred an appeal against the Eviction Order before the court of the Chief Judge, Civil City Court, Calcutta ("**Chief Judge**"). The Chief Judge vide its order dated April 20, 2016 held that a stay of the operation of the Eviction Order would be conditional on enhancement of Flury's Swiss Confectionery's liability to pay occupational charges, in terms of Order 1, from a rate of ₹ 3,000 to ₹ 10,000 per month from the date of filing of the appeal, i.e. February 9, 2016 till the date of disposal of such appeal. Against this order, LIC filed a civil revision application under Article 227 of the Constitution of India before the High Court at Calcutta ("**Calcutta HC**"), pursuant to which the Calcutta HC passed an order on September 16, 2016, setting aside the Chief Judge's order dated April 20, 2016, and directing the Chief Judge to rehear the matter. The Chief Judge reheard the matter and by its order dated September 29, 2016, revised Flury's Swiss Confectionery's liability to pay occupational charges, to a rate of ₹ 20,000 per month, from the date of filing of the appeal, i.e. February 9, 2016 till the date of disposal of such appeal. Against the said order dated September 29, 2016, LIC preferred a civil revision application before the Calcutta HC, which passed an order dated February 8, 2018, enhancing the rate at which Flury's was liable to pay occupational charges, from ₹ 20,000 to ₹ 50,000 with effect from October 2016 till disposal of the appeal. This matter is currently pending.

   This litigation has not been transferred to our Company, and does not form part of the Business Transfer Agreement, since it is not related to the confectionery business of Flury's which has been transferred to our Company as per the Business Transfer Agreement.

B. Litigation by our Promoters

Criminal Proceedings

There are no outstanding criminal proceedings by our Promoters.

Other material outstanding litigation by our Promoters

There are no other material outstanding litigation by our Promoters.

IV. LITIGATION INVOLVING OUR DIRECTORS

A. Litigation against our Directors

Criminal Proceedings

There are no outstanding criminal proceedings against our Directors.

Actions by statutory or regulatory authorities

There are no outstanding actions initiated by statutory or regulatory authorities against our Directors.

Other material outstanding litigation against our Directors

There are no other material outstanding litigation by our Directors.

B. Litigation by our Directors

Criminal Proceedings

There are no outstanding criminal proceedings by our Directors.

Other material outstanding litigation by our Directors

There are no other material outstanding litigation by our Promoters.

V. TAX PROCEEDINGS INVOLVING OUR COMPANY, SUBSIDIARIES, PROMOTERS AND DIRECTORS

Set out herein below are claims relating to direct and indirect taxes involving our Company, Subsidiaries, Promoters, and Directors, as on the date of this Draft Red Herring Prospectus:

Nature of case	Number of cases	Amount involved (in ₹ million)
Our Company		
Direct tax	3	769.99
Indirect tax	18*	142.91**
Total	**21**	**912.90**
Our Subsidiaries		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	**Nil**	**Nil**
Our Promoters		
Direct tax	Nil	Nil
Indirect tax	Nil#	Nil##
Total	**Nil**	**Nil**
Our Directors (other than our Promoters)		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	**Nil**	**Nil**

[*]*This includes one indirect tax proceeding involving Flury's Swiss Confectionery, our Promoter, which has been transferred to our Company pursuant to the transfer of confectionery business of* Flury's *Swiss Confectionery to our Company, as per the Business Transfer Agreement dated December 19, 2019 ("**Flury's' Tax Litigation**").*
[**] *This includes the amount involved in Flury's' Tax Litigation.*
[#] *This excludes Flury's' Tax Litigation.*
[##] *This excludes the amount involved in Flury's' Tax Litigation.*

VI. OUTSTANDING DUES TO CREDITORS

In terms of the Materiality Policy, our Board considers such creditors 'material' to whom the outstanding amount due exceeds 5.00% of the total consolidated trade payables as derived from the latest Restated Financial Statements, *i.e.* ₹ 22.74 million as of June 30, 2019 ("**Material Creditors**").

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises, Material Creditors and other creditors as on June 30, 2019 is as set forth below:

Particulars	Number of creditors	Amount involved (in ₹ million)
Dues to micro, small and medium enterprises	-	-
Dues to Material Creditor(s)	1	94.50
Dues to other creditors	2.137	363.53
Total	**2,138**	**458.03**

For details in relation to the outstanding dues to Material Creditors as on June 30, 2019 along with the name and amount involved for each such Material Creditor, see https://www.theparkhotels.com/corporate-information.html.

It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus, and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website would be doing so at their own risk.

VII. MATERIAL DEVELOPMENTS

For details of material developments, since the date of the last balance sheet, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 302.

GOVERNMENT AND OTHER APPROVALS

We have set out below a list of material approvals, consents, licenses, registrations and permissions from various governmental, statutory and regulatory authorities obtained by our Company, which are considered material and necessary for carrying its business and operations. In view of these approvals, our Company can undertake this Offer and our Company can undertake its current business activities and operations. Other than as stated below, no other material approvals from any regulatory authority are required to undertake the Offer or continue such business activities of our Company. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

For further details in connection with the regulatory and legal framework within which we operate, see the section titled "Key Regulations and Policies" on page 163*.*

I. Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company and from the Promoter Selling Shareholder, Promoter Group Selling Shareholders and Investor Selling Shareholder in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 352.

II. Incorporation details of our Company

1. Certificate of incorporation dated November 27, 1987 issued by the Registrar of Companies, Karnataka at Bangalore to our Company;

2. Fresh certificate of incorporation dated March 29, 2004 issued by the Registrar of Companies, Karnataka at Bangalore on account of change in the name of our Company from 'Budget Hotels Limited' to 'Apeejay Surrendra Park Hotels Limited'.

III. Approvals in relation to the business and operations of our Company

1. Tax related approvals

(i) The permanent account number of our Company is AAACB7961L.

(ii) The tax deduction account number of the registered office of our Company is CALA05992A.

(iii) The import export code for our Company is 0795001754.

(iv) The goods and services tax identification number of the registered office of our Company is 19AAACB7961L1Z7.

2. Labour related approvals

(i) Under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended, the registered office of our Company has been allotted EPF code number WBPRB0013378000.

(ii) Under the provisions of the Employees' State Insurance Act, 1948, as amended, the registered office of our Company has been allotted the ESI registration number 41000001850000009.

In addition to the labour related approvals mentioned above, we are also required to obtain, where applicable, certain other approvals such as license under the Contract Labour (Regulation and Abolition) Act, 1970 to engage more than twenty contract labourers in our hotels.

3. Material approvals in relation to the operations of our Company

Our Company requires various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business in India. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

An indicative list of the material approvals required by our Company, for their respective businesses and operations, is provided below. In addition to listing such material approvals applicable to the owned and leased hotels of our Company that are currently operational, we have also listed such material approvals required to be obtained by the hotels that are currently operational and are being managed by our Company under various hotel management, license and technical services agreements, to the extent that such approvals are required to be maintained and obtained by our Company under the terms of such agreements (such hotels, "**Managed Hotels**").

(i) ***Trade license from relevant municipal authorities****:* We are required to obtain trade licenses from the respective municipal authorities of areas where our hotels are located, where local laws require such trade licenses to be obtained. Such licenses may be subject to renewal, as applicable.

(ii) ***FSSAI Registration:*** We are required to obtain registration from the Food Safety and Standards Authority of India, under the Food Safety and Standards Act, 2006 read with the Food Safety and Standard (Licensing & Registration of Food Business) Regulations, 2011, for sale, storage or distribution of food products. The registration may be subject to periodic renewals.

(iii) ***Shops and establishments registrations:*** In the states where our hotels are located, registration under the respective shops and establishment acts of those states, wherever enacted or in force, is required. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations. Further, such registrations may be subject to renewals under the respective state legislations.

(iv) ***Liquor license under excise laws:*** Under the scheme of excise laws, different state legislatures have enacted state legislations dealing with licenses for sale of alcohol. Any person selling alcohol, of various types and form, is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of the alcohol. The categories of alcohol licenses may include Indian made foreign liquor, foreign liquor, country liquor, beer and wine, or a combination thereof. In states where we serve liquor at our owned hotels, leased hotels or Managed Hotels, as applicable, we are required to obtain license to serve liquor under the respective legislation of the state.

(v) ***Licensing and controlling of places of public entertainment***: We are required to obtain licenses to conduct live public entertainment activities on our hotel premises, under local rules for licensing and controlling places of public entertainment. These licenses are issued by the commissioner of police and are subject to periodic renewals.

(vi) ***Environment related approvals:*** We are required to obtain various environment related approvals and consents to operate under the Air Act and Water Act and authorisation for collection, storage and disposal of hazardous waste under the Hazardous Waste Rules in respect of our owned and leased hotels, and our Managed Hotels, as applicable.

(vii) ***No objection certificates from police and fire department:*** We are required to obtain a No Objection Certificate ("**NOC**") from the relevant police and fire department, as applicable in the concerned jurisdictions of our hotels, to continue operations at our owned and leased hotels, and our Managed Hotels, as applicable. The NOCs may be subject to renewal, as may be applicable.

(viii) ***Building completion certificate/ occupation certificate:*** We are required to obtain commencement and building completion certificates and/or an occupation certificate from the relevant municipality, as applicable, in the concerned jurisdictions. An occupation certificate is typically issued after considering certain other compliances of the hotel buildings with, among others, approved plans, building standards, and fire safety standards.

In addition to the material approvals mentioned above, our hotels are also required to obtain, or typically obtain, certain other approvals such as, *inter alia*, public performance licenses and registrations with the Indian Performing Rights Society Limited ("**IPRS**"), licenses from the local municipal corporations, such as, lodging house licenses and eating house licenses, discotheque licenses, swimming pool licenses, star classifications and reclassifications from the Hotel and Restaurant Approval and Classification Committee, Ministry of Tourism, Government of India, as applicable.

Further, owing to the Business Transfer Agreement executed between Flury's Swiss Confectionery and our Company dated December 19, 2019, the confectionery business of Flury's Swiss Confectionery has been transferred to our Company, and in this regard, Flury's Swiss Confectionery is in the process of filing applications, documents and letters required for the valid transfer of the approvals, licenses and permits required to be obtained in relation to such confectionery business, in the name of our Company. An indicative list of the material approvals required to be obtained by Flury's Swiss Confectionery's factory ("**Flury's' Factory**"), and its outlets, which are in the nature of cafés, tea rooms and kiosks (collectively, "**Flury's' Outlets**") in this regard, is provided below.

(i) ***Trade license from relevant municipal authorities****:* Trade licenses are required to be obtained from the respective municipal authorities of areas where Flury's' Outlets are located, where local laws require such trade licenses to be obtained. Such licenses may be subject to renewal, as applicable.

(ii) ***FSSAI Registration:*** Registration from the Food Safety and Standards Authority of India is required to be obtained by Flury's' Outlets, under the Food Safety and Standards Act, 2006 read with the Food Safety and Standard (Licensing & Registration of Food Business) Regulations, 2011, for sale, storage or distribution of food products. The registration may be subject to periodic renewals.

Shops and establishments registrations: In the states where Flury's Swiss Confectionery's outlets are located, registration under the respective shops and establishment acts of those states, wherever enacted or in force, is required. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations. Further, such registrations may be subject to renewals under the respective state legislations.

(iii) ***Environment related approvals:*** Consents to operate under the Air Act and Water Act are required to be obtained by Flury's' Factory.

(iv) ***License under the Factories Act, 1948****:* Registration is required to be obtained by Flury's' Factory under the Factories Act, 1948, as amended and the West Bengal Factories Rules, 1958, as amended, which is subject to periodical renewals.

In respect of our owned hotels, leased hotels and Managed Hotels, which are operational as of the date of this Draft Red Herring Prospectus, we currently hold all the aforementioned material approvals as required, and Flury's' Factory and Flury's' Outlets hold all the aforementioned material approvals as required, except the following, in respect of applications have been made before relevant authorities to obtain the registrations or renewals of such material approvals that have expired:

- **The Park, New Delhi**

S. No.	Description	Registration / renewal	Authority	Date of application
1.	Registration as principal employer under the Contract Labour (Regulation and Abolition) Act, 1970	Renewal	Deputy Labour Commissioner, Government of NCT of Delhi	March 26, 2019

- **The Park, Chennai**

S. No.	Description	Registration / renewal	Authority	Date of application
1.	Renewal of liquor license	Renewal	The Commissioner, Prohibition & Excise Department, Ezhilagam, Chennai	July 11, 2019
2.	Renewal of consent to operate under the Air Act and the Water Act	Renewal	Tamil Nadu Pollution Control Board	June 1, 2019

- **Flury's Swiss Confectionery Private Limited**

S. No.	Description	Registration / renewal	Authority	Date of application
1.	Registration as principal employer under the Contract Labour (Regulation and Abolition) Act, 1970	Renewal	Assistant Labour Commissioner, Park Street	November 8, 2019

With respect to our hotels that are under development as of the date of this Draft Red Herring Prospectus, at Pune, Vishakhapatnam and Navi Mumbai, we require certain permits/approvals/ licenses at various stages of construction, and until commencement of operations at such hotels. Key construction related approvals include:

(i) ***Environmental approvals, clearances and NOC from the Airports Authority of India, where applicable:*** We are required to obtain various environment related approvals/permits such as consent to establish under the Air Act and Water Act, environmental clearances and NOC from various authorities such as the Airports Authority of India, and the central government, as applicable in the concerned jurisdictions. Such NOC is required where the construction of any building or erection, placement or raising any moveable or immoveable structure or fixture, is within the specified vicinity of an airport, as delineated under the Aircraft Act 1934, the Airports Authority of India Act, 1994, and various applicable amendments, rules, regulations and notifications thereunder.

(ii) ***Building completion certificate/ occupancy certificate from relevant municipal authorities:*** We are either required to obtain a building completion certificate and/or an occupancy certificate from the relevant municipalities, as applicable, in the concerned jurisdictions. An occupancy certificate is typically issued after considering certain other compliances of the hotel building with, among others, approved plans, building standards, and fire safety standards.

(iii) ***NOC from police and fire departments:*** We are required to obtain a NOC from the relevant police and fire department, as applicable in the concerned jurisdictions of our hotels, to commence operations at our hotels.

Further, in respect of our forthcoming owned and leased hotels that are currently under development by us, we apply for and receive relevant approvals, depending upon the stage of construction of the hotel.

IV. Intellectual Property related approvals

As of the date of this Draft Red Herring Prospectus, our Company has registered 142 trademarks under various classes, including under classes 29, 30, 32, 33 and 43 with the Registrar of Trademarks under the Trade Marks Act, including , , , and .

Pursuant to the assignment deeds executed on July 14, 2007 and December 27, 2019, Apeejay Surrendra Hotels Private Limited and ASMSL have respectively assigned certain trademarks in favour of our Company. Further, our Company and ASMSL have on December 23, 2019 entered into a Brand Usage and Services Agreement, pursuant to which, *inter alia,* ASMSL has granted our Company a license for the use of the trademarks - "Apeejay", "Apeejay Surrendra" and the logo "" (collectively, the "**Apeejay Trade Marks**"), owned by ASMSL, on such mutually agreed terms and conditions as set out in the Brand Usage and Service Agreement. The Brand Usage and Service Agreement was effective from October 1, 2019 and shall continue to be operative until terminated by our Company or ASMSL, by giving an advance termination notice of 90 days. Upon termination of the Brand Usage and Service Agreement, our Company will immediately discontinue any further use of the Apeejay Trade Marks and shall not use any trade mark which could be confusingly resembled, misled and mistaken with and by the Apeejay Trade Marks. For further details, see "*Risk Factors – Internal Risk Factors – We rely heavily on our existing brands. Our inability to protect brand recognition or guard the value of our intellectual property rights may adversely affect our business*" and "*History and Certain Corporate Matters*" on pages 31 and 169.

Further, our Company has also made applications seeking registration for trademarks under various classes, with the Registrar of Trademarks under the Trade Marks Act, which are currently pending. Some of the trade marks pending registration have been opposed or refused and are pending review.

In addition to these, we have not received the registration certificates for seven of our registered trade marks, including Pasha, I-Bar , Stay Inspired, and , under certain classes for which the online records of the Trade Mark Registry show that these are likely to be removed due to non-filing of renewal application. Accordingly, we have made representations to obtain the registration certificates and filed interlocutory petitions with the Registrar of Trade Marks to rectify the discrepancies.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolutions adopted at its meeting held on December 21, 2019 and our Shareholders have approved the Offer pursuant to a special resolution passed on December 23, 2019. This Draft Red Herring Prospectus has been approved by our Board pursuant to the resolutions dated December 30, 2019.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Approvals from the Selling Shareholders

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

S. No.	Name of the Selling Shareholder	Date of Board Resolution	Consent Letter	Value of maximum number of Equity Shares offered for sale (in ₹ million)
1.	Apeejay Surrendra Trust (through its Trustee)	December 21, 2019*	December 21, 2019	1,254.12
2.	Apeejay Private Limited	December 21, 2019	December 21, 2019	3,549.50
3.	Apeejay House Private Limited	December 21, 2019	December 21, 2019	847.30
4.	RECP IV Park Hotel Investors Ltd	December 26, 2019	December 26, 2019	332.05
5.	RECP IV Park Hotel Co-Investors Ltd	December 26, 2019	December 26, 2019	17.03

***** *Resolution passed by the Board of Trustees of Apeejay Surrendra Trust dated December 21, 2019.*

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the members of the Promoter Group, our Directors, the Investor Selling Shareholders, and the persons in control of Flury's Swiss Confectionery, Apeejay Surrendra Trust, and our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital markets by the SEBI.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group, and our Investor Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("**SBO Rules**"), as amended read with MCA General Circular No. 10/2019 dated September 24, 2019, to the extent in force and applicable.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against him/her in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is undertaking the Offer in accordance with the Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.

We are an unlisted company not complying with the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed under Regulation 6(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Net Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable law.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000; the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors, or the Selling Shareholders, are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors is a promoter or director of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter.

(d) None of our Directors or individual Promoters have been declared a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

(e) There are no outstanding convertible securities or any rights which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Selling Shareholders confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, ICICI SECURITIES LIMITED, JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT

INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 30, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.theparkhotels.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted

Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.Eligibility and Transfer Restrictions**

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each subscriber or purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of the Red Herring Prospectus and the purchase of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares issued or offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued or offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be issued or offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered,

sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

(6) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A under the U.S. Securities Act restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares; and

(10) the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Issued, Offered and Sold in this Offer

Each subscriber that is acquiring the Equity Shares issued or offered pursuant to this Offer outside the United States, by its acceptance of the Red Herring Prospectus and the issuance or purchase of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the subscriber or purchaser is authorized to consummate the purchase of the Equity Shares issued or offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser or subscriber acknowledges that the Equity Shares offered or issued pursuant to this

Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be issued or offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the subscriber or purchaser is purchasing the Equity Shares issued or offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(4) the subscriber or purchaser and the person, if any, for whose account or benefit the purchaser is subscribing or acquiring the Equity Shares issued or offered pursuant to this Offer, was located outside the United States at the time (i) the offer of such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not subscribed or purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser or subscriber is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser or subscriber decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, issued or sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE ISSUED, OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the purchaser acknowledges that the Company, the Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications shall be made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company, Promoter Selling Shareholder and Promoter Group Selling Shareholders as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, Legal Counsel to the Investor Selling Shareholder as to Indian Law, International Legal Counsel to BRLMs, Bankers to our Company, industry sources, third party chartered accountants, the BRLMs, the Registrar to the Offer, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency and the Banker(s) to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus for filing with the RoC.

Consent in writing of the Statutory Auditors in respect of (i) the examination reports of our Statutory Auditors dated December 27, 2019, on the Restated Financial Statements, (ii) the Statement of Tax Benefits dated December 27, 2019 and (iii) the report of our Statutory Auditors on our Proforma Financial Statements dated December 27, 2019 included in this Draft Red Herring Prospectus, have been obtained.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 30, 2019 from S.R. Batliboi & Co LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 27, 2019 on our Restated Financial Statements; and (ii) their report dated December 27, 2019 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the last five years, preceding the date of this Draft Red Herring Prospectus.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares.

Capital issue during the previous three years by our Company and Subsidiaries of our Company

None of the securities of any of our Subsidiaries are listed on any stock exchange. For details in relation to the capital issuances by our Company since since November 28, 2003, the effective date Scheme, , see "*Capital Structure-Notes to the Capital Structure*" on page 79. For further details, see "*Risk Factors – Internal Risk Factors – Some of our corporate records are not traceable*" on page 35

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries/Promoters of our Company

Neither Flury's Swiss Confectionery, our corporate Promoter, nor any of our Subsidiaries has securities listed on any stock exchange.

Price information of past issues handled by the BRLMs

A. ICICI Securities Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited*

Sr. No.	Issue Name	Issue Size (₹. Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-14.68%,[+7.66%]
2.	Aster DM Healthcare Limited	9,801.40	190.00	February 26, 2018	183.00	-13.66%,[-3.77%]	-5.39%,[+1.00%]	-8.16%,[+9.21%]
3.	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%[+4.96%]	+15.41%,[+4.36%]	-4.20%,[+7.04%]
4.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%,[+1.17%]	+29.60%,[-7.58%]	+23.78%,[-4.33%]
5.	Creditaccess Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.16%,[-3.80%]	-14.90%,[-8.00%]	-5.71%,[-8.13%]
6.	Aavas Financiers Ltd	16,403.17	821.00	October 8, 2018	750.00	-19.32%,[+1.76%]	+2.39%,[+4.09%]	+38.82%,[+12.74%]
7.	IndiaMart InterMesh Ltd	4,755.89	973.00(1)	July 04, 2019	1,180.00	+26.39%,[-7.95%]	+83.82%,[-4.91%]	+111.64%,[2.59%]
8.	Affle (India) Limited	4,590.00	745	August 8, 2019	926.00	+12.56%,[-0.78]	+86.32%,[+8.02%]	NA *
9.	Spandana Sphoorty Financial Limited	12,009.36	856.00	August 19, 2019	824	-0.73%,[-2.14%]	+51.38%,[+7.51%]	NA *
10.	Sterling and Wilson Solar Limited	28,496.38	780.00	April 20, 2019	706.00	-7.01%,[-1.60%]	-58.90%,[+7.87%]	NA *

**Data not available*

(1) Discount of ₹ 97 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹ 973.00 per equity share.

Notes:

1. *All data sourced from www.nseindia.com.*
2. *Benchmark index considered is NIFTY.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	4	49,850.66	-	-	1	-	1	2	-	-	-	1	-	-
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	5	1	2	1

** This data covers issues up to YTD*

B. Axis Capital Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	CSB Bank Limited	4,096.77	195.00	December 4, 2019	275.00	-	-	-
2	Sterling And Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.88%, [-1.60%]	-48.63%, [+7.97%]	-
3	Spandana Sphoorty Financial Limited	12,009.36	856.00	August 19, 2019	825.00	-0.56%, [-2.14%]	+52.76%, [+7.61%]	-
4	Polycab India Limited	13,452.60	538.00^	April 16, 2019	633.00	+15.36%, [-5.35%]	+14.70%, [-1.99%]	+23.76%, [-4.09%]
5	Chalet Hotels Limited	16,411.80	280.00	February 7, 2019	294.00	+1.14%, [-0.31%]	+24.41%, [+3.87%]	+10.77%, [-1.87%]
6	Ircon International Limited	4,667.03	475.00*	September 28, 2018	412.00	-27.04%, [-8.24%]	-6.60%, [-1.84%]	-15.71%, [+5.06%]
7	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+57.43%, [+1.17%]	+30.61%, [-7.32%]	+23.78%,[-4.33%]
8	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+18.09%, [+5.17%]	+15.95%,[+4.92%]	-4.20%, [+7.04%]
9	Hindustan Aeronautics Limited	41,131.33	1,215.00!	March 28, 2018	1,152.00	-6.96%, [+4.98%]	-25.84%, [+6.41%]	-25.45%, [+10.18%]
10	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81%, [3.79%]	+42.96%, [+6.26%]	+51.89%, [+9.42%]

Source: www.nseindia.com

** Offer Price was ₹465.00 per equity share to Retail Individual Bidders and Eligible Employees*
! Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees
^Offer Price was ₹ 485.00 per equity share to Eligible Employees

Notes:
a. Issue Size derived from Prospectus/final post issue reports, as available.
b. The CNX NIFTY is considered as the Benchmark Index.
c. Price on NSE is considered for all of the above calculations.
d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019-2020*	4	58,368.15	-	-	2	-	-	1	-	-	-	-	-	1
2018-2019	4	54,206.94	-	1	-	1	-	2	-	-	2	-	-	2
2017-2018	18	492,662.22	-	1	9	1	3	4	-	2	7	4	2	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. JM Financial Limited

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited:

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Prince Pipes and Fittings Limited	5000.00	178.00	December 30, 2019	160.00	NA	NA	NA
2.	Ujjivan Small Finance Bank Limited7	7459.46	37.00	December 12, 2019	58.75	NA	NA	NA
3.	Spandana Sphoorty Financial Limited	12,009.36	856.00	August 19, 2019	825.00	-0.56% [-2.14%]	+52.76% [+7.61%]	NA
4.	Metropolis Healthcare Limited	12,042.88	880.00	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39% [-1.18%]	+45.93% [-3.30%]
5.	Chalet Hotels Limited	16,411.80	280.00	February 7, 2019	294.00	+1.14% [-0.31%]	+24.41% [+3.87%]	+10.77% [-1.87%]

6.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04% [+1.17%]	+30.61% [-7.32%]	+23.78% [-4.33%]
7.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	+5.72% [+6.56%]	+35.20% [+2.56%]	+50.21% [+1.90%]
8.	IndoStar Capital Finance Limited	18,440.00	572.00	May 21, 2018	600.00	-0.96% [+1.84%]	-16.28% [+9.07%]	-39.97% [+1.57%]
9.	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96% [+6.26%]	+51.89% [+9.42%]
10.	Aster DM Healthcare Limited	9,801.00	190.00	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97% [+0.21%]	-8.16% [+9.21%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of ₹ 2 per Equity Share was offered to Eligible Ujjivan Financial Services Limited Shareholders bidding in Ujjivan Financial Services Limited Shareholders Reservation Portion*

2. *Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited*

Financial Year	**Total no. of IPOs**	**Total funds raised (₹ Millions)**	**Nos. of IPOs trading at discount on as on 30th calendar days from listing date**			**Nos. of IPOs trading at premium on as on 30th calendar days from listing date**			**Nos. of IPOs trading at discount as on 180th calendar days from listing date**			**Nos. of IPOs trading at premium as on 180th calendar days from listing date**		
			Over 50%	**Between 25% - 50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2019-2020	4	36,400.83**	-	-	1	-	-	1	-	-	-	-	1	-
2018-2019	4	68,856.80	-	-	1	1	-	2	-	1	-	1	1	1
2017-2018	10	251,600.44	-	-	4	-	3	3	-	1	5	1	1	2

[*]The information is as on the date of the document

***Spandana Sphoorty Financial Limited raised ₹ 11,898.49 million as against the issue size of ₹ 12,009.36 million*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI; please see the websites of the BRLMs as set forth in the table below:

S. No	Name of the BRLMs	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	JM Financial Limited	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholder's Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

Our Company has also appointed Shalini Keshan, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 70.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

None of our Subsidiaries is listed on any stock exchange.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

SECTION VII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, or offered and transferred pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory and/or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises the Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 6,000 million by the Selling Shareholders. For details in relation to Offer expenses, see *"Objects of the Offer" and "Other Regulatory and Statutory Disclosures*" on pages 90 and 352, respectively.

Ranking of the Equity Shares

The Equity Shares being issued, offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 391.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* on page 203.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 1. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band, Employee Discount and minimum Bid Lot for the Offer will be decided by our Company in consultation with the Selling Shareholders and the BRLMs, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Bengali daily newspaper [●] (Bengali being the regional language of Kolkata, West Bengal wherein our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the Selling Shareholders and the BRLMs after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares issued or offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our AoA relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 391.

Employee Discount

Employee Discount, if any, may be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, as applicable, at the time of making a Bid.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares issued or offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our AoA, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of New Delhi, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 371.

Nomination facility to Investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

On the date of closure of the Offer, if our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to up to at least 10% post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR and Regulation 41 of the SEBI ICDR Regulations), including through devolvement to the Underwriters, or if the subscription level falls below the threshold under Rule 19(2)(b) of the SCRR mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay of fifteen days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest as per applicable law. Further, if at least 75% of the Net Offer is not Allotted to QIBs, the Bid Amounts received shall be refunded by our Company in accordance with applicable law.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

In the event of an under-subscription in the Offer, Allotment for valid Bids will be made (i) in the first instance towards 90% of the Fresh Issue, (ii) the remaining bids will be made towards balance portion of 10% of the Fresh Issue, and (iii) post 100% subscription of the Fresh Issue, any remaining balance bids will be made towards Offer for Sale on a pro rata basis. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Draft Red Herring Prospectus and the SEBI ICDR Regulations.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Minimum Promoters' Contribution and the Anchor Investor lock-in as detailed in "*Capital Structure*" on page 79 and except as provided in our AoA, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. For details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 391.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company in consultation with the Selling Shareholders and the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In the event of a withdrawal of the Offer after the Bid/Offer Opening Date, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time period as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. If the Company in consultation with the BRLMs withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges, in accordance with the applicable law.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and filing of the Prospectus with the RoC.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ 10,000 million, comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million by our Company and an Offer For Sale of up to [●] Equity Shares aggregating up to ₹ 6,000 million, comprising up to [●] Equity Shares aggregating up to ₹ 1,254.12 million by Promoter Selling Shareholder, comprising up to [●] Equity Shares aggregating up to ₹ 4,396.80 million by Promoter Group Selling Shareholders and up to [●] Equity Shares aggregating up to ₹ 349.08 million by Investor Selling Shareholders. The Offer includes a reservation of up to [●] Equity Shares (constituting up to [●]% of the post-offer paid-up Equity Share capital of our Company) aggregating up to ₹ [●] million, for subscription by eligible employees at a discount of up to [●]% (equivalent to ₹ [●]) on the Offer Price. The Offer and the Net Offer shall constitute [●] % and [●] %, respectively, of the post-Offer paid-up Equity Share capital of our Company**.**

The Offer is being made through the Book Building Process.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
Number of Equity Shares available for Allotment / Allocation [(2)]	Not less than [●] Equity Shares or the Net Offer less allocation to RIBs and NIBs subject to the Allocation/Allotment of not less than 75% of the Net Offer.	Not more than [●] Equity Shares or the Net Offer less allocation to QIBs and RIBs subject to the Allocation/Allotment of not more than 15% of the Net Offer.	Not more than [●] Equity Shares or the Net Offer less allocation to QIBs and NIBs subject to the Allocation/Allotment of not more than 10% of the Net Offer.	Up to [●] Equity Shares.
Percentage of Offer available for Allotment/allocation	Not less than 75% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not more than 15% of the Net Offer.	Not more than 10% of the Net Offer.	The Employee Reservation Portion shall constitute up to [●] % of the post-Offer paid-up Equity Share capital of our Company.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate	Proportionate.	Allotment to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any,	Proportionate [(5)]

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Our Company, in consultation with the Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.		shall be Allotted on a proportionate basis.	
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding QIB portion), subject to applicable limits	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000 (net of Employee Discount) [5] .
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share For Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, [●] Equity Shares and in multiples of [●] Equity Share thereafter, subject to availability in the Retail Portion and the Employee Reservation Portion			
Trading Lot	One Equity Share			
Who can Apply[3]	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs, public financial institution as defined in Section	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies,	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	Eligible Employees

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employees
	2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	scientific institutions, societies and trusts.		
Terms of Payment[4]	***In case of Anchor Investors***: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ***In case of all other Bidders***: Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank through the UPI Mechanism in case of RIBs that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form			
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process.	

(1) *Our Company, in consultation with the Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 373.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2) (b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, Employee Reservation Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" on page 364.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(5) *Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 in value (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value (net of Employee Discount).*

Bidders will be required to confirm and will be deemed to have represented to our Company, Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bid/Offer Programme

BID/ OFFER OPENS ON*	**[●]**
BID/ OFFER CLOSES ON**	**[●]**

* *Our Company, in consultation with the Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.*

** *Our Company, in consultation with the Selling Shareholders and the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	on or about [●]
Credit of the Equity Shares to depository accounts of Allottees	on or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	on or about [●]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholder, or the BRLMs. While our Company, the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time ("**IST**")) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Offer Closing Date:

(a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs and the Sponsor Bank will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company in consultation with the Selling Shareholders and the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should review the General Information Document for investing in public issues, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by RIBs through intermediaries from January 1, 2019. The UPI Mechanism for RIBs applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by RIBs through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the implementation UPI Phase II has been extended up till March 31, 2020. Thereafter, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid / Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of the English national daily newspaper, [●], and [●] editions of the Hindi national daily newspaper, [●], and [●] edition of the Bengali national daily newspaper (Bengali being the regional language of Kolkata, West Bengal, where our Registered Office is located) on or prior to the Bid / Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.*

Our Company, the respective Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

The Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made through the Book Building Process wherein not less than 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the Selling Shareholders and the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the Net QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] million, for subscription by Eligible Employees not exceeding 5% of our post-Offer paid-up Equity Share capital. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount) in value. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value (net of Employee Discount).

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer and be subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than the QIB Category), spill over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 (collectively the "**UPI Circular**") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a) **Phase I:** This phase became applicable from January 1, 2019 and continued till June 30, 2019. Under this phase, a Retail Individual Bidder had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continues to be six Working Days.

b) **Phase II:** This phase has commenced upon completion of Phase I and as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the implementation of UPI Phase II has been extended till March 31, 2020. Under this phase, submission of the Bid cum Application Form by a Retail Individual Bidder through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

c) **Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. The ASBA Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date. The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available at our Registered Office and Corporate Office.

Bidders (other than RIBs using the UPI Mechanism and Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Offer for purpose of reconciliation. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Offer for purpose of reconciliation.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. RIBs Bidding using the UPI Mechanism may initiate request for blocking of funds through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Further, such Bidders (other than Anchor Investors), including RIBs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection. Bidders using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]
Anchor Investors	[●]

** Excluding electronic Bid cum Application Forms*

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism). Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form (except the Bid cum Application Form from RIBs using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIBs using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group.

The BRLMs and the Syndicate Members shall not be allowed to subscribe the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for the Equity Shares in the Offer, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associate of the BRLMs (other than Mutual Funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls , directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

The Promoter Selling Shareholder, the Promoter Group Selling Shareholders and the remaining members of the Promoter Group will not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefore.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme.

Bids by HUFs

Bids by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Investment by Eligible NRIs in the Offer shall be subject to the applicable RBI laws.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents. Eligible NRIs are also allowed to use the UPI Mechanism in accordance with the Applicable Law.

Bids by FPIs

An entity, registered as a FPI pursuant to SEBI FPI Regulations, is permitted to invest in Indian securities as a person resident outside India in accordance with provisions of SEBI FPI Regulations and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**"). In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than fifty per cent or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single FPI) must be below 10% of the post-issue equity share capital of a company on a fully diluted basis. The total investment under SEBI FPI Regulations by a FPI including its investor group shall not exceed the threshold of below ten per cent of the total paid up equity capital in a listed or to be listed company on a fully diluted basis. The FPIs investing in breach of the prescribed limit will have the option of divesting their holdings within 5 trading days from the date of settlement of the trades causing the breach. In case the FPI chooses not to divest, then the entire investment in the company by such FPI and its investor group shall be considered as investment under Foreign Direct Investment (FDI) and the FPI and its investor group shall not make further portfolio investment in the company concerned, and accordingly be subject to additional compliances and reporting requirements under applicable FEMA Rules.

Further, the total holdings of all FPIs put together i) up till March 31, 2020, shall not exceed 24% of the paid-up equity share capital of a company, provided that the aggregate limit of 24% may be increased by the company up to the sectoral cap with the approval of its board of directors and its shareholders through a resolution and special resolution respectively, and ii) with effect from April 1, 2020, can be up till the sectoral cap applicable to the sector in which our Company operates. The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% ("**Threshold**") as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. Further, the company which has decreased its aggregate limit to Threshold may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling in accordance with FEMA Rules. However, once the aggregate limit has been increased to a higher threshold, it cannot be decreased. In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investment, if necessary, will be increased by way of a resolution of Board of Directors subject to the approval of the Shareholders of the Company in the general meeting. For details of restrictions on investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 390.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

Aggregate foreign portfolio investment up to 49% of the paid-up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, shall not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India and other investments by a person resident outside India shall be subject to the conditions of Government approval and compliance of sectoral conditions as laid down in FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Company, nor the Selling Shareholders nor the BRLMs will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by Employees

A Bid by an Eligible Employee must be for a minimum of [●] Equity Shares and in multiples of [●] Equity

Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.*, [●] colour form);

(ii) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 in value (net of Employee Discount);

(iii) The Bidder should be an Eligible Employee. In case of joint bids, the first Bidder shall be an Eligible Employee;

(iv) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion;

(v) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category;

(vi) Eligible Employees can apply at Cut-off Price;

(vii) Bid by Eligible Employees can be made also in the Net Offer and such Bids shall not be treated as multiple Bids;

(viii) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand; and

(ix) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer and be subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations. In case of under-subscription in the Net Offer (other than the QIB Category), spill over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion subject to compliance with Regulation 6(2) of the SEBI ICDR Regulations and Rule 19(2)(b) of the SCRR.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by systemically important non-banking financial companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SIs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 for specific investment limits applicable to them.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the Selling Shareholders and the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the Selling Shareholders and the BRLMs, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company in consultation with the Selling Shareholders and the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the

Anchor Investor Portion will not be less than:

(a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

(b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

(c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall will still be the Anchor Investor Office Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) Neither the BRLMs or any associate of the BRLMs ((except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than Category III FPIs sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion. For further details, see "– *Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters/Promoter Group*" on page 376.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see the General Information Document.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in the Red Herring Prospectus and Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer**.**

Information for Bidders

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip"**), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIBs and Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 200,000 with respect to RIBs and ₹500,000 (net of Employee Discount) with respect to Eligible Employees Bidding in the Employee Reservation Portion if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹ 200,000 with respect to RIBs and ₹500,000 (net of Employee Discount) with respect to Eligible Employees Bidding in the Employee Reservation Portion, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be, does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be and the Retail Individual Bidder or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders or the Eligible Employee Bidding in the Employee Reservation Portion, as the case may be who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Bengali newspaper, Bengali being the regional language of Kolkata, West Bengal where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed under the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company, the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. In case of joint Bids, ensure that the first applicant is the ASBA Account holder, and also signs the Bid cum Application Form (for all Bidders other than RIBs using the UPI Mechanism);

7. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Bid cum Application Form;

8. RIBs using the UPI Mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;

9. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI. Further, RIBs using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID.

10. RIBs Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

11. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

12. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

13. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI linked bank account holder, as the case may be). Bidders (except RIBs Bidding using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form. RIBs Bidding using the UPI

Mechanism should ensure that they have mentioned the correct UPI linked bank account number and their correct UPI ID in the Bid cum Application Form;

14. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

15. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

16. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

17. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

20. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the BRLMs;

21. Ensure that the Demographic Details are updated, true and correct in all respects;

22. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

23. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

24. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

25. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

27. Bidders (except RIBs Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process. RIBs Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

28. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary (other than for Anchor Investors and RIBs using the UPI Mechanism) the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;

30. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

31. For RIBs using the UPI Mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

32. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

33. RIBs using the UPI Mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form;

34. Bidders in the Employee Reservation Portion should ensure that they have a valid PAN and their PAN is updated in the records of our Company;

35. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and

36. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;

9. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Bidders;

10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

11. If you are a Non-Institutional Bidder or a Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;

13. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

14. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and ₹500,000 (net of Employee Discount) for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect UPI ID details if you are a RIB Bidding through the UPI Mechanism;

17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

19. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding through the Designated Intermediaries using the UPI Mechanism;

20. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

24. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

25. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

26. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

27. Do not submit a Bid cum Application Form using a third party bank account or using third party linked bank account UPI ID (in case of in case of Bids submitted by RIBs using the UPI Mechanism).and

28. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in the Red Herring Prospectus, as applicable, is not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;
4. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID;
5. Bids by HUFs not mentioned correctly;
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash; and
14. Bids by OCB.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the net offer to the public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the RIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"
(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated December 27, 2019 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated December 26, 2019 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed ;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that the promoters' contribution in full, wherever required, will be brought in advance before the Offer opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions of the SEBI ICDR Regulations;

(viii) that if our Company in consultation with the Selling Shareholders and the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;

(ix) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(x) that no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by each Selling Shareholder

Each Selling Shareholder, severally and not jointly, undertakes the following in respect of itself as a Selling Shareholder, and its respective portion of the Offered Shares:

(i) that the Offered Shares shall be free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances prior to the registration of the Red Herring Prospectus with the RoC and be eligible for Offer in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer;

(ii) that it is the legal and beneficial owner of and has full title to its respective portion of the Offered Shares;

(iii) that it shall provide all support and cooperation as may be reasonably requested by our Company and the BRLMs to the extent such support and cooperation is in relation to its Offered Shares and in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares;

(iv) that each Selling Shareholder specifically confirms that it shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges;

(v) that it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except as permitted under applicable law;

(vi) that it shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Offer;

(vii) that it will provide such assistance as may be required by our Company and the BRLMs acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Offer and statements specifically made or confirmed by it in relation to itself as a Promoter Selling Shareholder, Promoter Group Selling Shareholders or as the Investor Selling Shareholder; and

(viii) that it shall transfer its portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement.

The Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of Offered Shares.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, with effect from August 28, 2017 (the "**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI and (iv) documentation, reporting requirements and other conditions as may be specified by the RBI in consultation with the Central Government, are adhered for such transfers.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see "*Offer Procedure*" on page 373.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

I. Definitions and Interpretations

1. Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

2. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

    a) "**Act**" means the Companies Act, 2013, read with the rules thereunder, each as amended;

    b) "**Alternate Director**" shall have the meaning ascribed to such term in Article 102;

    c) "**Articles**" shall mean the articles of association of the Company, as amended from time to time, in accordance with the provisions of these Articles and the applicable Law;

    d) "**Auditors**" means independent, external statutory auditors of the Company;

    e) "**Board of Directors**" or "**Board**" shall mean the board of directors of the Company, as constituted from time to time, in accordance with the provisions of these Articles and the applicable Law;

    f) "**Company**" shall mean Apeejay Surrendra Park Hotels Limited, a public company limited by shares incorporated under the Companies Act, 1956 and having its registered office at 17, Park Street Kolkata – 700016, West Bengal, India;

    g) "**Director**" means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;

    h) "**Equity Share Capital**" means in relation to the Company, its equity Share Capital within the meaning of Section 43 of the Act, as amended from time to time;

    i) "**General Meetings**" shall mean any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;

    j) "**Governmental Authority**" means any governmental, regulatory or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make Laws, rules or regulations or pass directions, orders or awards, having or purporting to have jurisdiction or any state or other subdivision thereof or any municipality, district or other subdivision thereof having jurisdiction pursuant to applicable Laws;

    k) "**Key Managerial Personnel**" in relation to the Company, means collectively, the chief executive officer or managing director or manager, the company secretary, the whole-time directors, the chief financial officer and such other officers, not more than one level below the Directors who are in whole-time employment and are designated as a key managerial personnel by the Board and such other officers as maybe prescribed and declared by the Company to be a key managerial personnel;

    l) "**Law**" shall mean:

(i) in relation to the Persons domiciled or incorporated in India, all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority or any stock exchange(s) in India or in any jurisdiction but applicable to such Persons domiciled or incorporated in India; and

(ii) in relation to Persons domiciled or incorporated overseas, all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority or any stock exchange(s) of the relevant jurisdiction of such Persons.

m) "**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

n) "**Member**" means a member of the Company within the meaning of sub-Section (55) of Section 2 of the Act, as amended from time to time;

o) "**Memorandum of Association**" shall mean the memorandum of association of the Company, as amended, modified or supplemented, from time to time;

p) "**Original Director**" shall have the meaning ascribed to such term in Article 102;

q) "**Person**" shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, voluntary association, joint venture, partnership (whether limited or unlimited), proprietorship, unincorporated organization, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable Law;

r) "**Preference Share Capital**" means in relation to the Company, its preference Share Capital within the meaning of Section 43 of the Act, as amended from time to time;

s) "**Seal**" means the common seal of the Company;

t) "**Shares**" means a share in the Share Capital of the Company and includes stock;

u) "**Shareholder(s)**" shall mean such Person(s) who are holding Share(s) in the Company at any given time; and

v) "**Share Capital**" means Equity Share Capital and Preference Share Capital.

II. Public Company

3. The Company is a public company as defined in Section 2(71) of the Act. As per Section 2(71) – public company means a company which -

a) is not a private company and;

b) has a minimum paid-up Share Capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of the Act even where such subsidiary company continues to be a private company in its articles.

III. Share Capital and variation of rights

4. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

5. Subject to the provisions of the Act, these Articles and applicable Law, the Shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Person s, in such proportion and on such terms and conditions and either at a premium or at par or subject to the compliance with Section 53 of the Act, at a discount and at such time as they may, from time to time think fit and proper and with the sanction of the Company in the General Meeting. The Company may give to any Person or Persons the option or right to call for any Shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may also issue and allot Shares in the capital of the Company on payment in full or part payment of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that the option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

6. A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.

7. The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable Laws:

   a) Equity Share Capital:

      (i) with voting rights; and/ or

      (ii) with differential rights as to dividend, voting or otherwise; and

   b) Preference Share Capital

8. Further, the Board shall be entitled to issue, from time to time, subject to applicable Law, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.

9. Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, Lien, surrender, voting rights and otherwise.

10. (i) Every Person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided —

    a) one certificate for all his Shares without payment of any charges; or

    b) several certificates, each for one or more of his Shares, without payment if the Board so decides or upon payment of such fees (not exceeding INR 50 (Rupees fifty)) as the Board shall prescribe, for each certificate after the first.

(ii) Every certificate shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary. The Company shall also affix the Seal in the presence of the Person required to sign the certificate.

(iii) With respect to any Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

11. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding INR 50 (Rupees fifty)) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares. Notwithstanding the foregoing provisions of this Article 11, the Board shall comply with applicable Law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

    (ii) The provisions of Articles 10 and 11 shall *mutatis mutandis* apply to debentures of the Company.

12. Except as required by Law, no Person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by Law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

13. (i) The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 of the Act read with Rule 13 of Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act (as amended from time to time), provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

    (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-Section (6) of Section 40 of the Act, as amended from time to time.

    (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

14. (i) If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act, as amended from time to time, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class.

    (ii) To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two Persons holding at least one-third of the issued Shares of the class in question.

15. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

16. Subject to the provisions of Section 55 and other related provisions of the Act, as amended from time to time, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution, determine.

17. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue Preference Share Capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.

18. Subject to the provisions of the Act, the Company may issue bonus shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) any capital redemption reserve account, in any manner as the Board may deem fit.

19. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

20. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

IV. FURTHER ISSUE OF SHARES

21. (1) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares out of the unissued Share Capital then such Shares shall be offered:

   a) to the Persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the paid up Share Capital on those Shares by sending a letter of offer subject to the following conditions, namely:

      (i) the offer shall be made by a notice specifying the number of Shares offered and limiting a time being not less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

      (ii) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person; and the notice referred to in sub-Article (i) hereof shall contain a statement of this right; provided that the Directors may decline, without assigning any reason to allot any Shares to any Person in whose favour any Member may, renounce the Shares offered to him.

      (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.

   b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as prescribed in the Act and the rules thereunder; or

   c) to any other Persons, if it is authorised by a special resolution, whether or not those Persons include the Persons referred to in sub-Article (a) or (b) either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed in the Act and the rules thereunder.

   (2) The notice referred to in sub-clause (i) of clause (a) of sub-Article (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the

issue. Nothing in this Article shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into Shares in the Company or to subscribe for Shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

(4) Notwithstanding anything contained in sub-Article (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into Shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

(5) In determining the terms and conditions of conversion under sub-Article (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under sub-Article (4), directed that any debenture or loan or any part thereof shall be converted into Shares in the Company and where no appeal has been preferred to the National Company Law Tribunal under sub-Article (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, stand altered and the authorized Share Capital of the Company shall stand increased by an amount equal to the amount of the value of Shares which such debentures or loans or part thereof has been converted into.

V. Lien

22. (i) The Company shall have a first and paramount Lien —

(a) on every Share or debenture (not being a fully paid Share or debenture) registered in the name of each Member or holder (whether solely or jointly with others), respectively, to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share or debenture; and

(b) on all Shares or debentures (not being fully paid Shares or debentures) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share or debenture to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of such Shares/debentures shall operate as a waiver of the Company’s Lien if any, on such Shares/debentures.

(ii) The Company's Lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.

(iii) The Company's Lien, if any, on a debenture shall extend to the interest payable from time to time in respect of such debentures.

23. The Company may sell, in such manner as the Board thinks fit, any Shares or debenture on which the Company has a Lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the Lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered Member or holder for the time being of the Share or debenture, respectively, or the Person entitled thereto by reason of his death or insolvency.

24. Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's Lien, if any, on such Shares or debentures.

25. The following shall apply to any sale of Shares or debentures referred to in the Article mentioned above:

(i) The Board shall authorize some Person to transfer the Shares or debentures sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the Shares or debentures comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares or debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(iv) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.

(v) The residue, if any, shall, subject to a like Lien for sums not presently payable as existed upon the Shares or debentures before the sale, be paid to the Person entitled to the Shares or debentures at the date of the sale.

(vi) A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of Lien.

VI. Calls on Shares

26. (i) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

27. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

28. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

29. (i) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

30. (i) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

31. The Board –

(i) may, if it thinks fit, subject to the provisions of Section 50 of the Act, as amended from time to time, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and

(ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

Provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.

VII. Dematerialization of Shares

32. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its Shares, debentures and other securities and offer such Shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.

33. Notwithstanding anything contained in the Articles, and subject to the provisions of the Law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form.

34. Every Person subscribing to the Shares offered by the Company shall have the option to receive Share certificates or to hold the Shares with a depository. Where Person opts to hold any Share with the depository, the Company shall intimate such depository of details of allotment of the Shares to enable the depository to enter in its records the name of such Person as the beneficial owner of such Shares. Such a Person who is the beneficial owner of the Shares can at any time opt out of a depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares. In the case of transfer of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

35. If a Person opts to hold his Shares with a depository, the Company shall intimate such depository the details of allotment of the Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.

36. All Shares held by a depository shall be dematerialized and shall be in a fungible form.

(a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

37. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a depository. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

38. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.

39. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

VIII. Transfer of Shares

40. (i) The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of securities shall be enforceable as a contract.

(ii) The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee.

(iii) The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof.

(iv) A common form of transfer shall be used in case of transfer of Shares.

41. The Board may, subject to the right of appeal conferred by Section 58 declines to register—

(a) the transfer of a Share, not being a fully paid Share, to a Person of whom they do not approve; or

(b) any transfer of Shares on which the Company has a Lien.

42. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-Section (1) of Section 56;

(b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of Shares.

Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.

43. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

44. On giving not less than seven days' previous notice in accordance with Section 91 and rules made there

under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

45. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

IX. Transmission of Shares

46. (i) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognized by the Company as having any title to his interest in the Shares.

    (ii) Nothing in Article 46 (i) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

47. (i) Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

    (a) to be registered himself as holder of the Share; or

    (b) to make such transfer of the Share as the deceased or insolvent Member could have made.

    (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

48. (i) If the Person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

    (ii) If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.

    (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

49. A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

X. Forfeiture of Shares

50. If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

51. The notice issued under Article 46 shall—

    (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

52. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

53. (i) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

54. (i) A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

(ii) The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

55. (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share;

(ii) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the Share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

56. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

XI. Alteration of capital

57. Subject to these Articles and the provisions of Section 61 of the Act, as amended from time to time, the Company may, from time to time, by ordinary resolution increase the authorised Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

58. Subject to the provisions of Section 61, as amended from time to time, the Company may, by ordinary resolution in a General Meeting —

(a) consolidate and sub-divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

(b) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

(c) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or

(d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

59. Where Shares are converted into stock—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

(c) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

60. Subject to the applicable provisions of the Act, the Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required under applicable Law —

(a) the Share Capital;

(b) any capital redemption reserve account; or

(c) any Share premium account.

XII. Capitalization of profits

61. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in Article 61 (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 61 (i), either in or towards—

(a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(c) partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

62. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid Shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable infractions; and

(b) to authorize any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing Shares;

(iii) Any agreement made under such authority shall be effective and binding on such Members.

XIII. Buy-back of Shares

63. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other Law for the time being in force, the Company may purchase its own Shares or other specified securities.

XIV. Registers to be maintained by the Company

64. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of employee stock options, register of sweat equity Shares, register of Shares or securities bought back, register of renewed and duplicate Share certificate, register of deposits, register of Director and Key Managerial Personnel, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The Company may keep a Foreign Register of Members in accordance with the provisions of the Act. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the Persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

XV. General meetings

65. An annual General Meeting shall be held each calendar year within the timeline prescribed under applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.

66. All General Meetings other than annual General Meeting shall be called extraordinary General Meeting.

67. (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

68. The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

69. A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode, is accorded thereto:

(i) in case of an annual General Meeting, by not less than 95% (ninety-five percent) of the Members entitled to vote thereat; and

(ii) in case of any other General Meeting, by Members of the Company holding majority in number of Members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share capital of the Company as gives a right to vote at the meeting.

Provided further that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a General Meeting and not on the others, those Members shall be taken into account for the abovementioned purposes, in respect of the former resolution or resolutions and not in respect of the latter.

Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Sections 101 and 102 of the Act.

XVI. Proceedings at General Meetings

70. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act, as amended from time to time.

71. Notwithstanding anything contained elsewhere in these Articles, the Company:

(a) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

Provided that any item of business required to be transacted by means of postal ballot under sub-Article (a) above, may be transacted at a General Meeting by the Company which is required to provide the facility to Members to vote by electronic means under Section 108 of the Act, as amended from time to time, in the manner provided in that section.

72. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

73. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

74. The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson, or if he or she is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their Members to be chairperson of the meeting.

75. If at any meeting no Director is willing to act as chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be chairperson of the meeting.

XVII. Adjournment of meeting

76. (i) The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

    (ii) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time in the next week or if such day is a national holiday, until the next succeeding day, which is not a holiday, provided that the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Article 68 herein read with Section 100 of the Act shall stand cancelled.

    (iii) In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

    (iv) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

    (v) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

    (iv) Save as aforesaid, and as provided in Section 103 of the Act, as amended from time to time, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

XVIII. Voting rights

77. Subject to any rights or restrictions for the time being attached to any class or classes of Shares —

    (a) on a show of hands, every Member present in person shall have one vote; and

    (b) on a poll, the voting rights of Members shall be in proportion to his Share in the paid-up Equity Share Capital of the Company.

78. The chairperson at any General Meeting shall have a second or casting vote.

79. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy as per the provisions of Section 109 of the Act, as amended from time to time.

80. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act, as amended from time to time, and shall vote only once. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of Act and the Companies (Management and Administration) Rules, 2014, as amended or any other Law, if applicable to the Company.

81. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of Members.

82. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

83. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

84. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

85. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

    (ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

XIX. Proxy

86. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.

87. The proxy shall not be entitled to vote except on a poll.

88. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

89. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.

90. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

    Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

XX. Board of Directors

91. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) Directors after passing a special resolution. The Company shall have such minimum number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Law. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

92. The subscribers to the Memorandum of Association are the first Directors of the Company.

93. Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation.

    (a) At every annual General Meeting of the Company, one-third of such of the Directors (that does not include independent Directors, whether appointed under the Act or any other Law for the time being in force, on the Board of the Company) for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

(b) Subject to Section 152(6)(d) of the Act, the Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement amount themselves, be determined by lot.

(c) A retiring Director shall be eligible for re-election.

(d) Subject to Sections 152(6)(e) and 152(7)(a) of the Act and these Articles, the Company at the General Meeting at which a Director retires in a manner aforesaid may fill up the vacated office by electing a Person thereto.

(e) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(f) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, then the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

94. Every Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his or her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding of such Director.

95. A Director who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his or her concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act.

96. Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.

97. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

98. In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

99. A Director shall not be required to hold any qualification Shares in the Company.

100. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other Person as an additional Director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any Person so appointed as an additional Director shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.

101. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "**Original Director**"), subject to these Articles and the provisions of the Act, the Board may appoint another director (an "**Alternate Director**") for and in place of the Original Director. Provided however, that in case of a nominee Director, the entity nominating such Director shall appoint an Alternate Director for the original nominee Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India.

102. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Subject to the Act, such Director may also forward a copy of his resignation along with reasons for the resignation to the registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.

103. At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

104. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next General Meeting. Provided any Person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

105. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of such Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.

XXI. Proceedings of the Board

106. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

107. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the chairperson of the Board, if any, shall

have a second or casting vote.

108. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

109. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

110. The Board may elect a chairperson of its meetings and determine the period for which he or she is to hold office. If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

111. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

112. A committee may elect a chairperson of its meetings. If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be chairperson of the meeting.

113. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the chairperson shall have a second or casting vote.

114. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

115. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the Members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

116. Subject to the provisions of the Act —

(i) A managing director, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any managing director, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as managing director, manager, company secretary or chief financial officer.

117. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and managing director, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same Person acting both as Director and as, or in place of, managing director, manager, company secretary or chief financial officer.

118. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or Members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if

any, was sent to all of the Directors or Members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or Members who are entitled to vote on the resolution.

119. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

XXII. Minutes of the Meetings

120. (1) The minutes of all proceedings of every General Meeting and every meeting of the Board and its committees shall be prepared, entered, dated, signed, kept and maintained in such manner, within such time and at such place as may be required under the Act.

(2) All such minutes shall be signed by the chairperson of the meeting as recorded, or by the person who shall preside as chairperson at the next succeeding meeting and all minute purported to be so signed shall, for all purposes whatsoever, be prima facie evidence of the actual passing of the resolutions recorded, and the transactions or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.

(3) Minutes of each meeting of the Board shall be circulated to all Directors.

XXIII. Borrowing Powers

121. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

122. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

123. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

XXIV. The Seal

124. The Board shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other Person as the Board may appoint for the purpose; and those two Directors and the secretary or other Person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

XXV. Dividends and Reserve

125. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

126. Subject to the provisions of Section 123 of the Act, as amended from time to time, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the

Company.

127. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

128. (i) Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

(ii) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

129. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

130. (i) Any dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members, or to such Person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

131. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

132. (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, it shall, within 7 (seven) days from the date of expiry of said period, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) consecutive years or more from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under Section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

133. Notice of any dividend that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.

134. No dividend shall bear interest against the Company.

XXVI. Accounts

135. Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if

any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

136. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors subject to provisions of the Act and these Articles. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

(ii) No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorized by the Board or by the Company in General Meeting.

137. The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

XXVII. AUDIT

138. The Auditors of the Company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act.

139. The Directors may fill up any casual vacancy in the office of the Auditors within 30 (thirty) days subject to the provisions of Sections 139 and 140 of the Act and the rules framed thereunder.

140. The remuneration of the Auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first or any auditor appointed by the Directors may be fixed by the Directors.

141. The Company shall also appoint a reputed accounting firm as the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

XXVIII. Related Party Transactions

142. The Company may enter into related party transactions from time to time subject to the compliance to provisions of Section 188 of the Act and rules made thereunder and applicable Law.

XXIX. Amendment to Memorandum and Articles of Association

143. Subject to the applicable provisions of the Act, the Memorandum and Articles of Association of the Company may be amended, if required.

XXX. Winding up

144. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

XXXI. Secrecy

145. No Member shall be entitled to visit or inspect Company’s works without the permission of the Directors or the Managing Director or to require discovery of or any information in relation to any detail of the

Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors or the Managing Director, it will be inexpedient in the interest of the Members of the Company to communicate to the public.

XXXII. Indemnity

146. Every officer of the Company shall be indemnified out of the assets of the Company of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own willful neglect or default respectively.

147. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/ or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XXXIII. General Authority

148. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar Agreement dated December 30, 2019 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
2. Offer Agreement dated December 30, 2019 entered into between our Company, the Selling Shareholders, and the BRLMs.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer.
4. Share Escrow Agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into between our Company, the Registrar to the Offer, the Selling Shareholders, BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended until date.
2. Certificate of incorporation dated November 27, 1987, certificate of incorporation pursuant to change of name issued by the RoC on March 29, 2004.
3. Scheme of amalgamation between Apeejay Hotels Delhi, Gemini Hotels and Budget Hotels Limited under Sections 391 to 394 of the Companies Act, 1956.
4. Scheme of amalgamation of Skylight Hotels Private Limited, Skylight Properties Private limited, Rooshna Hotel Private Limited, Rooshna Estates Private Limited, Oak Park Hotels Private Limited, Orchard Park Hotels Private Limited, Chelsea Hotels Private Limited, Lake Park Hotels Private Limited, Innsignia Hotels Private Limited, Lake Plaza Hotel Private Limited, Vizag Sea Park Hotel Private Limited, and New Bombay Park Hotel Private Limited with our Company.
5. Resolution of the Board of Directors dated December 21, 2019 and Shareholders dated December 23, 2019 in relation to the Offer and other related matters.
6. Resolution of the Board of Directors dated December 30, 2019, approving this Draft Red Herring Prospectus.
7. Consent letter from Promoter Selling Shareholder dated December 21, 2019, authorising participation in the Offer and certified true copy of the resolution of the Board of Trustees of the Promoter Selling Shareholder dated December 21, 2019, authorising participation in the Offer.
8. Consent letter from Promoter Group Selling Shareholders both dated December 21, 2019 respectively, authorising participation in the Offer and certified true copy of the resolutions of the respective board of directors of Promoter Group Selling Shareholders both dated December 21, 2019, respectively, authorising participation in the Offer.
9. Consent letter from Investor Selling Shareholders both dated December 26, 2019, and certified copies of the resolutions of the board of directors of the Investor Selling Shareholders both dated December 26, 2019, respectively, authorising participation in the Offer.
10. Consent letter from CRISIL dated December 27, 2019 to rely on and reproduce part or whole of the CRISIL Research Report and include their name in this Draft Red Herring Prospectus.
11. Consent letter from Horwath HTL dated December 28, 2019 to rely on and reproduce part or whole of

the Horwath HTL Report and include their name in this Draft Red Herring Prospectus.

12. Share Transfer Agreement dated December 26, 2019 entered between the Promoters and the Investors.
13. Termination Agreement to the Royalty Agreement and Termination Agreement to the Service Agreement executed between Company and ASMSL, each dated December 23, 2019.
14. Business Transfer Agreement executed between the Company and Flury's dated December 19, 2019.
15. Brand Usage and Service Agreement executed between our Company and ASMSL dated December 23, 2019.
16. Agreement dated November 16, 2018 entered by the Company with our Managing Director, Mr. Vijay Dewan with respect to his remuneration.
17. Share subscription agreement and shareholders' agreement, each dated July 13, 2007, among our (i) Company, (ii) Investors, (iii) Mr. Karan Paul, Apeejay Surrendra Trust (through its Trustee), Apeejay Engineering Private Limited, Apeejay Agencies Private Limited, Apeejay House Private Limited, Apeejay Private Limited, Flury's Swiss Confectionery Private Limited (collectively "SHA Shareholders"), and REFS Park Hotel Investors Ltd for acquisition of certain equity shares of the Company.
18. Consent dated December 30, 2019 from S.R. Batliboi & Co LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 27, 2019 on our Restated Financial Statements; and (ii) their report dated December 27, 2019 on the Statement of Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.
19. Consent from S.K. Mittal & Co., Chartered Accountants, dated December 27, 2019 to include its name in this Draft Red Herring Prospectus.
20. Copy of the annual report of our Company for Fiscal 2019, Fiscal 2018 and Fiscal 2017.
21. Consent of our Directors, Selling Shareholders, BRLMs, Syndicate Members, Legal Counsel to our Company and Selling Shareholders as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to our Company, International Legal Counsel to the BRLMS, industry sources, third party chartered accountants, customers of our Company, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company and the Company Secretary and Compliance Officer as referred to in their specific capacities.
22. Due diligence certificate dated December 30, 2019 addressed to SEBI from the BRLMs.
23. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
24. Tripartite agreement dated December 27, 2019 among our Company, NSDL and the Registrar to the Offer.
25. Tripartite agreement dated December 26, 2019 among our Company, CDSL and the Registrar to the Offer.
26. SEBI observation letter no. [●] dated [●].

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Vijay Dewan
(Managing Director)

Karan Paul
(Non-Executive Director)

Priya Paul
(Chairperson and Non-Executive Director)

Ashoke Ghosh
(Non-Executive Director)

Debanjan Mandal
(Independent Director)

Suresh Kumar
(Independent Director)

Suneeta Reddy
(Independent Director)

Ragini Chopra
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Atul Khosla *(Chief Financial Officer)*

Place: Kolkata

Date: December 30, 2019

DECLARATION

We, the undersigned, Apeejay Surrendra Trust, as a Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility as a Promoter Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Promoter Selling Shareholder

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For Apeejay Surrendra Trust
Name: Ashoke Ghosh
Designation: Trustee

Place: Kolkata

Date: December 30, 2019

DECLARATION

We, the undersigned, Apeejay Private Limited, as a Promoter Group Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility as a Promoter Group Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Promoter Group Selling Shareholder

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For Apeejay Private Limited
Name: Shouvik Mandal
Designation: Director

Place: Kolkata

Date: December 30, 2019

DECLARATION

We, the undersigned, Apeejay House Private Limited, as a Promoter Group Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility as a Promoter Group Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Promoter Group Selling Shareholder

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For Apeejay House Private Limited
Name: Shouvik Mandal
Designation: Director

Place: Kolkata

Date: December 30, 2019

DECLARATION

We, RECP IV Park Hotel Investors Ltd, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility as an Investor Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed on behalf of RECP IV Park Hotel Investors Ltd

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Name: Sharmanand Jhurreea
Designation: Director

Place: Mauritius

Date: December 30, 2019

DECLARATION

We, RECP IV Park Hotel Co - Investors Ltd, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility as an Investor Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed on behalf of RECP IV Park Hotel Co - Investors Ltd

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Name: Sharmanand Jhurreea
Designation: Director

Place: Mauritius

Date: December 30, 2019