

MUMTAZ HOTELS LIMITED

BOARD OF DIRECTORS

Mr. Prithviraj Singh Oberoi, Chairperson
Mr. Shivy Bhasin, Vice Chairman
Mr. T. K. Sibal
Mr. Manish Goyal, Managing Director
Mr. Vikramjit Singh Oberoi
Mr. Arjun Singh Oberoi
Mr. Manav Goyal
Mr. Raj Kumar Kataria, Director
Mr. Sandeep Kumar Barasia, Independent Director (upto 10th April 2021)
Additional Director (w.e.f. 12th April 2021)
Dr. Chhavi Rajawat

CHIEF FINANCIAL OFFICER

Mr. Kallol Kundu

SECRETARY

Mr. S.N. Sridhar

AUDITORS

Deloitte Haskins & Sells LLP,
Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122002
Haryana

REGISTERED OFFICE

4, Mangoe Lane
Kolkata 700 001

CORPORATE OFFICE

7, Sham Nath Marg
Delhi 110 054

Directors' Report

The Members
Mumtaz Hotels Limited

The Board presents its Thirty first Annual Report together with the Audited Financial Statement and the Auditor's Report in respect of the Financial Year ended on 31st March 2021.

Financial Highlights

The Financial Highlights of the year under review as compared to the previous year are given below:

Particulars	Rs. in Million	
	2020-21	2019-20
Total Revenue	188.46	1005.42
Earnings before Interest, Depreciation and Amortization, Taxes and Exceptional Items (EBIDTA)	(64.92)	436.39
Finance Costs	0.06	0.18
Depreciation	34.32	28.12
Profit before Tax	(99.30)	408.09
Current Tax	14.00	105.12
Deferred Tax	(22.84)	(18.46)
Profit/ (loss) after Tax	(90.46)	321.43
Other Comprehensive Income/(Loss), net of tax	0.22	(0.47)
Total Comprehensive Income	(90.24)	320.96
Profit/ (Loss) Brought forward from earlier years	911.38	777.14
Dividend	-	(154.88)
Dividend Distribution Tax	-	(31.84)
General Reserve	-	-
Profit/ Loss Carried Over	821.14	911.38

Performance

During the year under review, the Company's Total Revenue was Rs. 188.46 million as compared to Rs.1,005.42 million in the previous year, a decrease of 81%. The earnings before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was a loss of Rs. 64.92 million as compared to a profit of Rs. 436.39 million in the previous year. There was loss after tax of Rs. 90.46 million as compared to the profit after tax Rs. 321.43 million in the previous year. Total Comprehensive Income was a loss Rs. 90.24 million as compared to the profit of Rs. 320.96 million in the previous year.

The performance of the Company was affected due to the outbreak of Covid-19 in the early part of the year 2020. The prolonged lockdown and consequent travel restrictions to avoid spread of Covid-19 pandemic imposed by the Government of India as well other countries globally, almost all business from corporate, leisure, MICE and direct business were severely impacted. The hospitality industry, in general has been severely impacted in terms of occupancy, ARR, RevPAR, turnover and profitability. Due to travel ban by several countries foreign travellers coming to India has become almost negligible. This has severely impacted the hotel industry in general in the Financial Year 2020- 21 and especially the Company as major revenue source of the

Company is from Foreign Travellers visiting Agra. The total revenue earned for the year was mainly due to occupancy by the domestic travellers when the hotel opened in October 2020. With the resurgence of Covid-19 in several countries and in India, the hotel and tourism industry is expected to remain under pressure.

A note on the impact of Covid-19 on the Company's operations is given in Note No. 47 of the Notes to the Accounts.

The Company and the Hotel have taken various initiatives to protect the health and safety of guests and employees. All precautions as per the World Health Organization Guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to including to the following steps:

- All public areas such as restaurants, SPA, Gym, swimming pool etc. made non-operational;
- Hotel kept operational through minimum possible team strength for carrying out repair and maintenance work;
- Temperature measuring devices provided at the hotel for continuous monitoring of guests and employees;
- General Manager of the hotel is in continuous touch with local health officials for implementation of necessary guidelines.

Renovation of the Hotel

In the last Financial Year, 53 guest rooms were refurbished during 11th April 2019 to 1st October 2019. All day dining restaurant Bellevue and main kitchen were also renovated during this phase and became operational from 10th December 2019.

The renovation work for this Financial Year that was planned for the summer of 2020 finally commenced in month of July 2020, post the lifting of lockdown. The Hotel remained closed for this work and reopened on 11th October 2020 after the work in the guest areas were completed. The renovation work of back of the house and installation of Gas Generators has also been completed during this phase. However, the OEM visit for commissioning has been deferred due to lockdown in Switzerland. Confirmed dates of travel will be communicated by 1st week of June based on the lockdown situation.

The renovation of the balance 49 rooms is planned during the summer of 2021. The dismantling work has already commenced and the work is expected to be completed by 15th October 2021.

Dividend

As the Company has incurred loss in the Financial Year, the Board of Directors have decided not to recommend any dividend to the shareholders for the Financial Year 2020-21.

Directors' Report (Contd.)

Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 ("the Act"), and based on representations from the Management, the Board states that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed and that there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the loss of the Company for that period;
- c) the directors, to the best of their knowledge and ability, have taken proper and sufficient care in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the Annual Accounts of the Company on a "going concern" basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

Mr. Sandeep Kumar Barasia (DIN: 01432123) has completed his 5 (five) year term as an Independent Director on the Board. On 12th April 2021, the Board of Directors have appointed Mr. Sandeep Kumar Barasia as an Additional Director on the Board, liable to retire by rotation.

In accordance with Section 161 of the Companies Act 2013, Mr. Sandeep Kumar Barasia as an Additional Director will hold office up to the forthcoming Annual General Meeting of the Company. The Directors recommend appointment of Mr. Sandeep Kumar Barasia as a regular director on the Board, liable to retire by rotation.

Mr. Shivy Bhasin (DIN: 01261843), Mr. Manav Goyal (DIN: 00066861) and Mr. Vikramjit Singh Oberoi (DIN: 00052014) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Directors recommend re-appointment of Mr. Shivy Bhasin, Mr. Manav Goyal and Mr. Vikramjit Singh Oberoi on the Board.

Board Meeting

During the year, the Company held four Board Meetings on 21st May 2020, 5th August 2020, 24th October 2020 and 20th January 2021. All the Board meetings were held through video conferencing as per the circulars issued by the Government of India, Ministry of Corporate Affairs due to Covid-19 pandemic outbreak in the entire Financial Year 2020-21.

The attendance of the Directors in the Board meetings are as under:

Name of the Director	No. of Meetings attended
Mr. Prithvi Raj Singh Oberoi	3
Mr. Shivy Bhasin	4
Mr. Tej Kumar Sibal	4
Mr. Manish Goyal	4
Mr. Vikramjit Singh Oberoi	4
Mr. Arjun Singh Oberoi	4
Mr. Rajkumar Kataria	4
Mr. Sandeep Kumar Barasia*	3
Mr. Manav Goyal	4
Dr. Chhavi Rajawat	3

*ceased to be an Independent Director but was appointed as an additional director w.e.f. 12.04.2021

Audit Committee/Nomination and Remuneration Committee

The Company is a Joint Venture between EIH Ltd and GB Group. Therefore, the Company is not required to comply with the provisions relating to Audit Committee (Section 177) and Nomination and Remuneration Committee (Section 178) pursuant to Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended by Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, with effect from 5th July 2017.

Independent Directors and their Meeting

The Company is a Joint Venture between EIH Ltd and GB Group. Therefore, in accordance with Section 149(4) of the Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended by Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, with effect from 5th July 2017, the Company is not required to appoint Independent Directors.

As the Company is not required to appoint Independent Directors, in view of the aforesaid amendment in the Act and Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, with effect from 5th July 2017, the requirement of holding at least one meeting of the Independent Directors in a year pursuant to Schedule V of the Act has no application.

Corporate Social Responsibility

In accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Policy formulated by the Company in the Financial Year 2014-15 can be accessed on the holding Company's website, www.eihltd.com.

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2020-21 is attached in the prescribed format [Annexure-II to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021] and forms part of this report.

Company's Policy on Directors' Appointment and Remuneration

The Company is not covered under sub-section (1) of Section 178 of the Act, being a Joint Venture Company. Therefore, the requirement of clause (e) of sub-section 3 of Section 134 does not apply to the Company.

Risk Management

The Company is a subsidiary of EIH Limited, the holding Company as well as a Joint Venture. EIH Ltd has in place a comprehensive Risk Management policy, procedure and Risk Committee which is being followed by the Company's hotel, The Oberoi Amarvilas and the Company. The risk, if any, on the Company and the Company's hotel is monitored periodically and reported to the Board.

Energy Conservation Measures

During the year, focussed energy conservation efforts in the hotel The Oberoi Amarvilas continued. By careful consideration, several conventional lamps were replaced with energy efficient LED lamps. The hotel was closed from April 2020 to September 2020 on account of lockdown and project work. An advanced action plan for controlling energy consumption was activated much prior to lockdown. The plan included steps of creative and smart adaptation to the unfolding situation. Building systems were operated at minimum levels mandated for maintaining safe and hygienic environment. At the same time, an operation and maintenance strategy was implemented to ensure periodic maintenance of plant and machinery. This warranted that all equipment were kept in the most efficient state by carrying all maintenance routines.

Furthermore, when the hotel re-opened in October 2020, conservation measures in the form of tight operational control of lighting and other equipment, regulation of air conditioning set points according to ambient temperatures, taking guest floors out of order during periods of low occupancy, optimization of laundry and boiler operation were continued.

With various energy conservation measures taken in Financial Year 2020-21, we were able to reduce our total equivalent energy consumption by more than 4 million KWh which is more than 50% reduction over the preceding Financial Year. The reduction in overall energy consumption also resulted in a reduction of our carbon dioxide emissions by about 2 million kg in comparison to the previous Financial Year.

Some of the actions planned for the next year include lighting automation in back of the house areas with replacement of remaining conventional lamps, installation of heat pumps in place of fuel based water heaters, replacement of vapour absorption chillers with energy efficient electric chillers and replacement of old pumps of ac plant. Operational measures include setting of benchmarks with respect to the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring and performance evaluation of plant and machinery by conducting regular self-audit and up gradation of plant room equipment.

Foreign Exchange Earnings and outgo

Foreign Exchange earnings during the year amounted to Rs. 10.38 million as compared to Rs. 397.83 million in the previous year. The outflow of foreign exchange during the year was Rs. 3.69 million as compared to Rs. 59.13 million in the previous year.

Secretarial Standards

During the year, the Company has complied with the applicable Secretarial Standards.

Auditors

At the 27th Annual General Meeting of the Company held in year 2017, the members had approved the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm's Registration Number 117366W/W-100018) as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years from the conclusion of the 27th Annual general meeting till the conclusion of the 32nd Annual General Meeting.

Auditor's Report

The Auditor's Report does not contain any observation, qualification, or adverse remark for the Board to comment.

Cost Records

Company is not required to maintain cost records in accordance with Section 148 of the Act read with Rule 3 of the Companies (Cost Record and Audit) Rules, 2014 as the services of the Company are not covered under the said rules.

Significant and Material orders, if any

During the year, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

Prevention of Sexual Harassment at Work Place

During the year, there were no complaint of sexual harassment at work place. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and filed necessary returns under the Act.

Related Party Transactions

The contracts, arrangements or transactions with related parties are in the ordinary course of business and are at arm's length. There are no material contracts, arrangements

Directors' Report (Contd.)

or transactions entered into by the Company with its Related Parties, required to be reported in the prescribed form in terms of Section 188 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014. The Related Party Transactions entered during the year are given in Note no.37 of the financial statement.

Internal Financial Controls

The Company has put in place adequate Internal Financial Control systems commensurate with the size and operations of the business.

Annual Return

In accordance with Section 92(3) of the Companies Act, 2013 read with rules made thereunder, the Annual Return of the Company in Form MGT-7 has been placed on the website of the holding company, www.eihltd.com.

Loans, Guarantees or investments

During the year, the Company has not given any loan or guarantee and have not made any investments.

Deposits

During the year, the Company has not accepted any deposits.

Secretarial Audit

In accordance with the listing regulations applicable to the holding company, EIH Limited, the Company is recognised as an "unlisted material subsidiary company" of EIH Limited. Therefore, the secretarial audit of the records of the Company was required to be conducted by a Practising Company Secretary and attached with the Annual Report of the holding Company. Accordingly, the secretarial audit of the records of the Company was conducted by a Practising Company Secretary. The report submitted by the Practising Company Secretary does not contain any qualification, reservation or adverse remark. The report is annexed and forms part of this report.

Awards

Awards won by The Oberoi Amarvilas during the last two years are as under:

The Oberoi Amar Vilas, Agra, Uttar Pradesh, India	Top 10 Hotels for Romance - India (Ranked 1st) 5 Best Resort Hotels in India (Ranked 1st)	Trip Advisor Travellers' Choice Awards 2019 Travel + Leisure, USA World's Best Awards, Readers' Survey 2018
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Acknowledgement

The Board expresses its gratitude to the Government of India, Department of Tourism and all other Central and State Government Departments, Banks and other stakeholders for their continued co-operation and support.

The Board also takes the opportunity to thank all employees for their commitment and dedication.

For and on behalf of the Board

Place: Delhi
Date: April 23, 2021

Vikramjit Singh Oberoi
Director

Manish Goyal
Managing Director

Internal Audit and Vigil Mechanism

The Company does not qualify the requirement for appointment of an Internal Auditor under the relevant provisions of the Act. The Company also does not qualify the requirement for establishment of a Vigil Mechanism as required under Section 177 of the Act read with Rule 7 (1) of the Companies (Meetings of the Board) Rules, 2014.

Subsidiaries, Associates and Joint Ventures

The Company does not have any Subsidiary, Associate or Joint Venture.

Director/KMP Remuneration

Directors of the Company are not paid any remuneration except sitting fee for each meeting of the Board or committee thereof. Mr. Manish Goyal, Managing Director, has not drawn any remuneration from the Company. The Key Managerial Personnel Mr. Kallol Kundu, Chief Financial Officer and Mr. S.N. Sridhar, Company Secretary do not draw any remuneration from the Company. Sitting fee of Rs. 40,000 per meeting of the Board or a committee thereof is paid to all Directors. Total sitting fee paid during the Financial Year 2020-21 was Rs. 1.64 Million.

Top Ten Employees Remuneration

In accordance with Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a list of Top Ten employees' remuneration details is Annexed and forms part of this report.

Particulars of Employees

There is no employee in the Company drawing remuneration more than the limit prescribed under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Format for the Annual Report on CSR Activities to be included in the Board's Report for the Financial Year commencing on or after 1st April 2020 (ANNEXURE -II)

1. Brief outline on CSR Policy of the Company

The CSR Policy focus on addressing the critical social, economic and educational needs of the marginalized under-privileged children of the society and primary health care services for India's elderly population (60+ years) who are poor and needy. Directing its energies to orphan and homeless children and care for their educational, nutritional, health and psychological development needs and primary health care for the elderly population and Disaster management, including relief, rehabilitation and reconstruction activities. The policy also focusses on sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga and also for contribution to the Prime Minister's National Relief Fund.

The Board of Directors at the Board meeting held on 24th October 2020, on the recommendation of the CSR Committee, approved a CSR spend of Rs. 8,817,712 for the Financial Year 2020-21, being 2% of average net profit of the Company in the last three Financial Years. The amount was spent on the following activities:

- a) Contribution for basic healthcare services to vulnerable communities with special focus to elderly people of Agra, Uttar Pradesh through Help Age India.
- b) Contribution for promoting education for underprivileged children by developing schools in and around Agra through Save the Children, Bal Raksha Bharat.
- c) Contribution to PM CARES FUND

The CSR Policy and the activities of the Company are available on the holding Company, EIH Limited website www.eihltd.com.

2. Composition of the CSR Committee

S.No.	Name of Director	Designation /nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arjun Singh Oberoi	Director	1	1
2.	Mr. Vikramjit Singh Oberoi	Director	1	1
3.	Mr. Manish Goyal	Managing Director	1	1
4.	Mr. Raj Kumar Kataria	Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Composition of the CSR Committee of the Company and the CSR projects approved by the Board are available on the holding Company EIH Limited website, www.eihltd.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable as CSR spent is less than Rs. 10 crores.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		Not applicable	

**6. Average Net Profit of the company as per Section 135(5):
Rs. 440,885,621**

**7. a) Two percent of average net profit of the company as per Section 135(5):
Rs. 8,817,712**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 8,817,712**

CSR Activities (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)		Amount Unspent (in Rs.)	
Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	Amount
8,817,712	NIL	NA	NIL

8. (b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.)	Mode of Implementation - Through Agency	Mode of Implementation - Direct (Yes/No)		
				State	District				Name	CSR Registration number		
1	Contribution for basic health-care services to vulnerable communities with special focus to elderly people of Agra, Uttar Pradesh through Help Age India.	(i) promoting health care including preventive health care	Yes	U.P	Agra	Continuous	3,363,901	3,300,000	NIL	No	HelpAge India	CSR00000901
2	Contribution for promoting education for underprivileged children by developing schools in and around Agra through Save the Children, Bal Raksha Bharat.	(ii) promoting education including special education among children	Yes	U.P.	Agra	Continuous	5,253,811	5,317,712	NIL	No	Save the Children Foundation (Bal Raksha Bharat)	CSR00000065
3	Contribution to the PM cares fund for Covid-19 pandemic	(viii) Contribution to PM Cares fund	No	Not Applicable		Not Applicable	2,00,000	2,00,000	NIL	Yes		NA
Total								8,817,712	8,817,712	NIL		

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
NOT APPLICABLE									

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **Not applicable.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 8,817,712**

(g) Excess amount for set-off, if any: **Nil**

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
NIL							
Total							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
NIL								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): **N.A.**

(b) Amount of CSR spent for creation or acquisition of capital asset: **N.A.**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N.A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N.A.**

CSR Activities (Contd.)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

The Company has fully spent the two percent of the average net profit as per Section 135(5) in the Financial Year 2020-21.

For and on behalf of the Board

Place: Delhi
Dated: April 23, 2021

Manish Goyal
Managing Director

Vikramjit Singh Oberoi
Director

Secretarial Audit Report

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
EIH Limited, and
Mumtaz Hotels Limited
4, Mangoe Lane,
Kolkata-700001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “Mumtaz Hotels Limited” (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2021 (“the financial year”), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2021, according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and the rules made thereunder, read with notifications, exemptions and clarifications thereto;
 - II. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder, to the extent applicable in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 - III. Secretarial Standards issued by the Institute of Company Secretaries of India.
 - IV. Other significant laws specifically applicable to the Company, including:
 - a) Tourism Policy of Government of India and Classification of Hotels.
 - b) Food Safety and Standards Act, 2006 and Rules made thereunder.
 - c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder.
 - d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder.
 - e) Phonographic and Performance License.
 - f) Indian Explosives Act, 1884 and Rules made thereunder.
 - g) The Apprentices Act, 1961 and Rules made thereunder.
 - h) India Boiler Act, 1923
- During the financial year, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned herein above.
- We further report that:
1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 2. During the financial year, adequate notice along with agenda and detailed notes on agenda was given to all directors for the meetings of the Board and its Committee(s) and in case of shorter notice, due compliance of relevant provisions of the Act and Secretarial Standards in this regard was made. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 3. All the decisions were carried unanimously. None of the members of the Board expressed dissenting views on any of the agenda items during the financial year.
 4. In accordance with the guidelines prescribed by the Ministry of Corporate Affairs (the “MCA”) for holding general meeting/ conducting postal ballot through e-voting vide General Circular Nos. 14/2020 dated 8th April 2020; 17/2020 dated 13th April 2020; 22/2020 dated 15th June 2020; (the “Relevant Circulars”) the Company conducted its Annual General Meeting on July 10, 2020 through video conferencing.
 5. The Shareholders of the Company in its Annual General Meeting (“AGM”) held on July 10, 2020 appointed Dr. Chhavi Rajawat, one of the Independent Directors of EIH Limited (“EIH”), the holding Company, as a Director of the Company in compliance with Regulation 24 of the SEBI (Listing Obligations & Disclosure

Secretarial Audit Report (Contd.)

Requirements) Regulations, 2015, as applicable on EIHL.

Mr. Rajkumar Kataria who was appointed as an Additional Director by the Board effective March 31, 2020 was also appointed as a Director by the Shareholders in its AGM.

We further report that during the financial year there were no specific events/ actions having major bearing on the Company's affairs affecting its going concern or alter the charter or capital structure or management or business operation or control etc., in pursuance of the above referred laws, regulations, guidelines, standards etc. referred to above.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific, under both Central and State legislations, reliance has been placed on the quarterly compliance certificate and reporting by Mumtaz Hotels Limited to the Company Secretary of the Company and the Compliance Certificate duly signed by the Company Secretary, as placed before the meeting of the Board of Directors of the Company as well as of EIHL, the holding company, for each quarter. Also, the team of Chief Internal Auditor of EIHL conducts audit, of all hotels run by EIHL, along with unlisted material subsidiaries and joint venture companies of EIHL, which also covers compliances under applicable laws. Based on the aforesaid internal compliance management and certification mechanism, we are of the opinion that the Company has generally complied with the following:

- i) Deposit of Provident Fund, Employee State Insurance, Employee Deposit Linked Insurance and other employee related statutory dues;
- ii) Applicable stipulations pertaining to the Payment of Wages Act, Minimum Wages Act, Contract

Labour (Regulation and Abolition) Act and other related legislations;

- iii) Deposit of taxes relating to Income Tax, Goods and Services Tax and other applicable taxes including Tax Deducted at Source. The estimated liability in respect of cases of disputed tax liabilities and other legal cases have been disclosed as contingent liability in the Notes to Accounts forming an integral part of the financial statement for the year under review, and brief of the same has also been disclosed in the Independent Auditors' Report;
- iv) Applicable State and Central laws, including those related to the Environment, Food Safety & Standards and Standards of Weights & Measures, pertaining to the operations of the Company. However, notices from the statutory authorities, whenever received, are reported to the Management and appropriate action is taken from time to time.

For Jus & Associates

Company Secretaries

Dr. Ajay Kumar Jain

Proprietor

Membership Number: FCS - 1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE695800

Date: April 23, 2021

Place: New Delhi

UDIN: F001551C000169719

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure to Secretarial Audit Report of even date

To,
The Members of
EIH Limited, and
Mumtaz Hotels Limited
4, Mangoe Lane,
Kolkata-700001

Our Secretarial Audit Report of even date for the financial year ended March 31, 2021 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the Management. Our responsibility is to express an opinion based on examination of systems and procedures being followed by the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800

Date: April 23, 2021
Place: New Delhi

Independent Auditor's Report

To The Members of Mumtaz Hotels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MUMTAZ HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the information and explanations given

Independent Auditor's Report (Contd.)

to us, no remuneration has been paid by the Company to any of its directors. Accordingly, the provisions of Section 197 of the Act relating to remuneration to directors are not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 33(B) to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and

Protection Fund by the Company- Refer Note 45 to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "ANNEXURE B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha

Partner
(Membership No. 93474)
(UDIN 21093474AAAAAS4691)

Place: Gurugram
Date: April 23, 2021

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **MUMTAZ HOTELS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Independent Auditor's Report (Contd.)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership No. 93474)

(UDIN 21093474AAAAAS4691)

Place: Gurugram

Date: April 23, 2021

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals and no material discrepancies were noticed on such verification.
- c. Based on the examination of the registered sale deed and conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements.

(ii) The inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and securities and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including

Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c. Details of dues of Income-Tax, Expenditure Tax and Sales Tax which have not been deposited as on 31 March, 2021 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates(1)	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income-Tax	Assessing Officer	2007-2008 and 2009-2010	0.31
Income Tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	2013-2014, 2014-2015 and 2016-17	1.65 *
Sub Total of Income- Tax				1.96 *
Expenditure Tax Act, 1987	Expenditure Tax	Joint Commissioner of Expenditure Tax	2002-03	0.10
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	High Court	2007-08	**

(1) Period in respect of income tax and expenditure tax represents assessment year.

* Net of Rs. 1.43 million paid under protest.

** Net of Rs. 0.19 million paid under protest.

There are no dues of Customs Duty, Excise Duty, Value Added Tax, Service Tax and Goods and Services Tax which have not been deposited as on 31 March, 2021 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by

Independent Auditor's Report (Contd.)

its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration during the year in accordance with the provisions of Section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of CARO 2016 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership No. 93474)

(UDIN 21093474AAAAAS4691)

Place: Gurugram

Date: April 23, 2021

Balance sheet

as at March 31, 2021

		(₹ in Million)	
	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	934.04	860.74
(b) Right-of-use asset	4	0.20	0.43
(c) Capital work-in-progress		47.60	58.89
(d) Intangible assets	5	0.88	1.18
(e) Financial assets			
- Other financial assets	6	10.44	10.44
(f) Tax assets (net)	7	24.77	49.46
(g) Other non-current assets	8	19.41	23.83
Total non-current assets		1,037.34	1,004.97
Current assets			
(a) Inventories	9	28.06	30.16
(b) Financial assets			
(i) Investments	10	472.86	384.47
(ii) Trade receivables	11	8.59	106.63
(iii) Cash and cash equivalents	12	19.53	50.03
(iv) Other bank balances	13	-	154.15
(v) Other financial assets	14	0.90	0.92
(c) Other current assets	15	31.57	62.30
Total current assets		561.51	788.66
Total assets		1,598.85	1,793.63
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	206.50	206.50
(b) Other equity	17	1,200.14	1,290.38
Total Equity		1,406.64	1,496.88
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		0.02	0.26
(ii) Other financial liabilities	18	0.16	0.15
(b) Provisions	19	5.07	5.38
(c) Deferred tax liabilities (net)	20	73.15	95.92
(d) Other non-current liabilities	21	0.04	0.04
Total non-current liabilities		78.44	101.75
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	35	0.35	3.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	36	65.32	122.43
(ii) Lease liabilities		0.25	0.27
(iii) Other financial liabilities	22	31.28	50.19
(b) Provisions	19	1.13	0.34
(c) Other current liabilities	23	15.44	18.42
Total current liabilities		113.77	195.00
Total equity and liabilities		1,598.85	1,793.63

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership Number 93474)

Place: Gurugram
Date: April 23, 2021

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi
Director
(DIN : 00052014)

Kallol Kundu
Chief Financial Officer

Place: Delhi
Date: April 23, 2021

Manish Goyal
Managing Director
(DIN: 00059182)

S.N. Sridhar
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2021

		(₹ in Million)	
	Note	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	24	166.80	956.91
Other income	25	21.66	48.51
Total income		188.46	1,005.42
Expenses			
Consumption of provisions, wines & others	26	13.37	58.55
Employee benefits expense	27	80.90	112.42
Finance costs	28	0.06	0.18
Depreciation and amortisation expense	29	34.32	28.12
Other expenses	30	159.11	398.06
Total expenses		287.76	597.33
Profit / (Loss) before tax		(99.30)	408.09
Tax expense			
Income tax	31	14.00	105.12
Deferred tax		(22.84)	(18.46)
Profit / (Loss) for the year		(90.46)	321.43
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		0.29	(0.63)
- Tax relating to this item		(0.07)	0.16
Total other comprehensive income/(loss) for the year, net of tax		0.22	(0.47)
Total comprehensive income/(loss) for the year		(90.24)	320.96
Earnings per equity share (in ₹)- Face Value ₹ 10	43		
(1) Basic		(4.38)	15.57
(2) Diluted		(4.38)	15.57

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership Number 93474)

Place: Gurugram
Date: April 23, 2021

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi
Director
(DIN : 00052014)

Kallol Kundu
Chief Financial Officer

Manish Goyal
Managing Director
(DIN: 00059182)

S.N. Sridhar
Company Secretary

Place: Delhi
Date: April 23, 2021

Statement of Cash Flows

for the year ended March 31, 2021

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit/(Loss) before tax	(99.30)	408.09
Adjustments for		
Depreciation and amortisation expense	34.32	28.12
Allowance for doubtful trade receivables	0.05	-
Loss on sale/discard of property, plant and equipment (Net)	9.24	30.55
Security deposit written off	-	0.28
Dividend income from financial assets measured at fair value	(14.55)	(15.19)
Interest income on financial assets carried at amortised cost	(6.30)	(12.47)
Provisions and liabilities no longer required, written back	(0.14)	(0.14)
Finance costs	0.06	0.18
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	97.99	25.94
(Increase)/decrease in inventories	2.10	7.14
Increase/(decrease) in trade payables	(59.97)	8.69
(Increase)/decrease in other financial assets	(0.01)	(0.13)
(Increase)/decrease in other non-current assets	0.20	0.79
(Increase)/decrease in other current assets	30.74	(32.00)
Increase/(decrease) in provisions	0.77	0.80
Increase/(decrease) in other financial liabilities	0.18	0.07
Increase/(decrease) in other non-current liabilities	-	(0.01)
Increase/(decrease) in other current liabilities	(2.98)	(18.85)
Cash generated from / (used in) operations	(7.60)	431.86
Income taxes paid (net of refund)	10.69	(111.94)
Net cash inflow/(outflow) from operating activities	3.09	319.92
Cash flows from investing activities		
Payments for property, plant and equipment	(121.50)	(246.86)
Proceeds from sale of property, plant and equipment	1.58	2.71
Investment in mutual funds	(153.84)	(239.79)
Proceeds from sale of investment in mutual funds	80.00	352.50
Other bank balances - deposits matured/(placed)	154.15	0.81
Interest received	6.34	12.40
Net cash outflow from investing activities	(33.27)	(118.23)
Cash flows from financing activities		
Repayment of lease liabilities	(0.26)	(0.43)
Interest paid	(0.06)	(0.18)
Dividends paid	-	(154.88)
Dividend distribution tax	-	(31.84)
Net cash outflow from financing activities	(0.32)	(187.33)
Net increase/(decrease) in cash and cash equivalents	(30.50)	14.36
Cash and cash equivalents at the beginning of the year	50.03	35.67
Cash and cash equivalents at the end of the year	19.53	50.03

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha
Partner
(Membership Number 93474)

Vikramjit Singh Oberoi
Director
(DIN : 00052014)

Manish Goyal
Managing Director
(DIN: 00059182)

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Place: Gurugram
Date: April 23, 2021

Place: Delhi
Date: April 23, 2021

Statement of Changes In Equity

for the year ended March 31, 2021

A. Equity Share Capital

	(₹ in Million)
Balance as at April 1, 2019	206.50
Changes in equity share capital during the year	-
Balance as at March 31, 2020	206.50
Changes in equity share capital during the year	-
Balance as at March 31, 2021	206.50

B. Other Equity

	Reserves and surplus			Total
	Securities Premium	General Reserve	Retained Earnings - Surplus	
Balance as at April 1, 2019	293.50	85.50	777.14	1,156.14
Profit for the year	-	-	321.43	321.43
Other comprehensive income/(loss) for the year, net of tax	-	-	(0.47)	(0.47)
Total comprehensive income for the year	-	-	320.96	320.96
Allocations/Appropriations:				
Final dividend paid for the year 2018-19	-	-	(154.88)	(154.88)
Dividend distribution tax	-	-	(31.84)	(31.84)
Balance as at March 31, 2020	293.50	85.50	911.38	1,290.38
Balance at April 1, 2020	293.50	85.50	911.38	1,290.38
Profit/ (Loss) for the year	-	-	(90.46)	(90.46)
Other comprehensive income/(loss) for the year, net of tax	-	-	0.22	0.22
Total comprehensive income for the year	-	-	(90.24)	(90.24)
Allocations/Appropriations:				
Final dividend paid for the year 2019-20	-	-	-	-
Dividend distribution tax	-	-	-	-
Balance as at March 31, 2021	293.50	85.50	821.14	1,200.14

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership Number 93474)

Place: Gurugram
Date: April 23, 2021

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi
Director
(DIN : 00052014)

Kallol Kundu
Chief Financial Officer

Place: Delhi
Date: April 23, 2021

Manish Goyal
Managing Director
(DIN No: 00059182)

S.N. Sridhar
Company Secretary

Notes to the Financial Statements

General Information

MUMTAZ HOTELS LIMITED is a Company limited by shares, incorporated and domiciled in India **having its registered office at 4, Mangoe Lane, Kolkata - 700001**. The Company is a subsidiary of EIH Limited and owns 'The Oberoi Amarvilas', a leading premium luxury hotel having 102 rooms. The Oberoi Amarvilas is located about 600 meters from the Taj Mahal and all rooms, suites, lobby, bar and lounge offer a picturesque view of the monument.

The Company has a long term management agreement with EIH Limited, the holding company for running and managing the hotel.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements of Mumtaz Hotels Limited. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation

- (i) Compliance with Indian Accounting Standard (Ind AS)

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India, as a going concern on accrual basis.

Accounting Policies have been consistently applied except where a new issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

- (ii) Historical cost convention

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

- defined benefit plans – plan assets measured at fair value
- customer loyalty programs

- (iii) Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amount of revenue and expenses during the reported year. Actual results could differ from those estimates. Any revision of such estimates is recognised in the period the same is determined.

b) Revenue recognition

- (i) Effective April 1, 2018, the Company had adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied on contracts that were not completed as of April 1, 2018. Accordingly, the comparative information in the Statement of Profit and Loss had not been restated. The impact of adoption of the standard on financial statements of the Company had been insignificant.
- (ii) Performance obligation in contract with customers is met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (iii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.
- (iv) Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.

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

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable or when collectability is certain.
- Others: Revenue from Shop License Fee included under "Other services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty is recognised when loyalty points are redeemed by the customers or on its expiry.

c) Foreign currency translation

- (i) Presentation Currency
- The Financial Statements are presented in INR which is the Functional Currency of the Company.
- (ii) Transactions and balances
- Effective April 1, 2018, the Company had adopted Appendix B to Ind AS 21, Foreign Currency

Notes to the Financial Statements

Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity had received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment had been insignificant.

Sales made in any currency other than the functional currency of the Company are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realisation or translation at the year end.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year. Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year.

d) Income tax

Current income tax is recognised based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Effective April 1, 2019, the Company had adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

e) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and

tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognised as deferred tax asset in the Balance Sheet.

f) Leases

Effective April 1, 2019, the Company had adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, comparative information as at and for the year ended March 31, 2019 had not been restated. The impact of adoption of the standard on financial statements of the Company has been disclosed in the notes to accounts.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for vehicle leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Notes to the Financial Statements

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and estimated restoration costs of the underlying asset where applicable. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

These lease payments would comprise:

- Fixed payments (including in substance fixed payments) less any lease incentive receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option and
- Payment of penalties for terminating the lease when the Company is reasonably certain to exercise the exit option at the lease commencement date.

The Company applies the practical expedient by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

g) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of

Notes to the Financial Statements

the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

h) Cash and cash equivalents

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

i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) Inventories

Inventories are valued at cost which is based on Cumulative Weighted Average method or net realisable value, whichever is lower. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit or Loss.

k) Investments and other financial assets

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly

attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss.

Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected

Notes to the Financial Statements

lifetime losses to be recognised from initial recognition of the receivables.

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when

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

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

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

(v) *Income recognition*

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

I) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

m) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

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

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

Transition to Ind AS

Effective April 1, 2016, the Company had adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, and leased vehicles and equipment is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Leased vehicles are depreciated over the lives of the respective asset or over the remaining lease period of the respective asset whichever is shorter.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which is 54 years with effect from 31 March 2021 and is higher than those specified by Schedule II to the

Notes to the Financial Statements

Companies Act, 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

n) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

Transition to Ind AS

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

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p) Borrowing costs

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

q) Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and

when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations -

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the balance sheet.

Leave encashment on termination of service -

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period

Notes to the Financial Statements

that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provident Fund –

The Company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

s) Dividends

Liability is created for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity.

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit for the year attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year,

(ii) Diluted earnings per share

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

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

u) Government grants / Incentives

Government grants / incentives that the Company is entitled to on fulfillment of certain conditions, but are

available to the Company only on completion of some other conditions, are recognised as income at fair value on completion of such other conditions.

Grants / incentives that the Company is entitled to unconditionally on fulfillment of certain conditions, such grants are recognised at fair value as income when there is reasonable assurance that the grant will be received.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million with two decimals as per the requirement of Schedule III, unless otherwise stated.

2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2020 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2021

3 Significant estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies.

This note provides information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Useful life of the Hotel Building

The Company has adopted useful life of property, plant and equipment as stipulated by Schedule II to the Companies Act, 2013 except for the hotel building for computing depreciation. In the case of the hotel building of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificate of the technical expert as on 31.03.2021, the balance useful life of the hotel building of the Company was 54 years. The carrying amount of the hotel building is being depreciated over its residual life. Based on management evaluation performed at each reporting period, there has been no change in the earlier assessed useful life.

Notes to the Financial Statements

4(i) CONTD.

PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount				Accumulated Depreciation		Carrying value as at March 31, 2021
	Balance as at April 1, 2020	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2021	For the year	Less: Sales/ Adjustments	
Freehold land	57.05	-	-	57.05	-	-	57.05
Buildings	661.21	44.35	9.07	696.49	42.61	0.80	643.62
Plant and equipment	205.93	72.12	4.25	273.80	44.39	1.68	212.80
Furniture and fittings	22.39	1.46	0.01	23.84	2.81	0.01	18.39
Vehicles							
- Operating lease	20.27	-	-	20.27	17.62	1.51	1.14
- Others	2.94	-	-	2.94	1.90	0.23	0.81
Office equipment	0.36	-	-	0.36	0.08	0.05	0.23
Total	970.15	117.93	13.33	1,074.75	109.41	33.79	934.04

Right-of-use asset	Gross carrying amount		Accumulated amortisation		Carrying value as at March 31, 2021			
	Balance as at April 1, 2020	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2021		For the year	Less: Sales/ Adjustments	
Vehicles	1.64	-	0.66	0.98	1.21	0.23	0.66	0.20

4(ii) Contractual Obligations

Refer to Note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment

Notes to the Financial Statements

5 Intangible assets

(₹ in Million)

	Gross carrying amount				Accumulated Amortisation			Carrying value as at March 31, 2020
	Balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	For the year	Less: Sales/ Adjustments	
Computer software	2.19	-	-	2.19	0.59	0.42	-	1.01
Total	2.19	-	-	2.19	0.59	0.42	-	1.01

(₹ in Million)

	Gross carrying amount				Accumulated Amortisation			Carrying value as at March 31, 2021
	Balance as at April 1, 2020	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Less: Sales/ Adjustments	
Computer software	2.19	-	-	2.19	1.01	0.30	-	1.31
Total	2.19	-	-	2.19	1.01	0.30	-	1.31

Intangible assets are amortised on straight line basis over a period of 3 to 5 years.

6 Non-current financial assets

(₹ in Million)

	As at March 31, 2021	As at March 31, 2020
Land compensation claim recoverable*	5.19	5.19
Security deposits	5.25	5.25
Total non-current financial assets	10.44	10.44

* refers to cost of land acquired by Uttar Pradesh Shashan Van Anubhag. The Company's claim for compensation is pending adjudication before the Additional District Judge, Agra, Uttar Pradesh.

7 Tax assets (net)*

(₹ in Million)

	As at March 31, 2021	As at March 31, 2020
Opening balance	49.46	42.64
Less: Tax payable for the year	-	(104.99)
Add: Taxes paid (net of refund)	(10.69)	111.94
Add/(Less): Adjustment for earlier periods	(14.00)	(0.13)
Total tax assets	24.77	49.46
* Includes amounts paid under protest	1.43	15.43

8 Other non-current assets

(₹ in Million)

	As at March 31, 2021	As at March 31, 2020
Capital advances	2.76	6.98
Prepaid expenses	0.12	0.32
Services exports incentive	13.90	13.90
Other advances*	2.63	2.63
Total other non-current assets	19.41	23.83
* Includes amounts paid under protest	2.47	2.47

Notes to the Financial Statements

9 Inventories *

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Provision, wines and others	8.62	9.72
Stores & operating supplies	19.44	20.44
Total inventories	28.06	30.16

* Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' or net realisable value, whichever is lower.

The cost of inventories recognised as an expense during the year as consumption of provisions, wines and others was ₹13.30 million (for the year ended March 31, 2020 ₹58.55 million).

10 Investments

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Investment in Mutual funds (Quoted)		
(Carried at fair value through Statement of Profit and Loss)		
2,787,977.464 (2020 - 2,404,217.230) units of Aditya Birla Sun Life Liquid Fund - Daily Dividend - Direct Plan	279.34	240.89
28,647.410 (2020 - 27,722.584) units of Nippon India Liquid Fund- Daily IDCW Option (formerly Reliance Liquid Fund - Daily Dividend Reinvestment)	43.79	42.38
97,943.37 (2020 - 66,200.060) units of Nippon India Liquid Fund- Direct plan Daily IDCW option (formerly Reliance Liquid Fund - Direct Daily Dividend Reinvestment)	149.73	101.20
Total investments	472.86	384.47

11 Trade receivables*

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Receivable from related parties	0.97	1.60
Receivable from other than related parties	7.62	105.03
	8.59	106.63
Unsecured, which have significant increase in credit risk		
Receivable from other than related parties	0.12	0.07
Less: Allowance for doubtful trade receivables	(0.12)	(0.07)
Total trade receivables	8.59	106.63

* Read with note 33

12 Cash and cash equivalents

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- Current accounts	6.35	6.98
Cash in hand	0.38	0.42
Fixed deposits with original maturity of less than three months	12.80	42.63
Total cash and cash equivalents	19.53	50.03

Notes to the Financial Statements

13 Other bank balances

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date	-	154.15
Total other bank balances	-	154.15

14 Other current financial assets

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	0.19	0.23
Security deposits	0.68	0.68
Other receivables	0.03	0.01
Total other current financial assets	0.90	0.92

15 Other current assets

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	6.78	3.80
Services export incentive	0.28	34.54
Balance with government authorities	22.66	19.25
Recoverables from directors (Refer note 37)	0.20	-
Other advances	1.65	4.71
Total other current assets	31.57	62.30

16 Equity share capital

Authorised	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
25,000,000 Equity Shares of ₹10 each (2020 - 25,000,000)	250.00	250.00
	250.00	250.00
Issued, Subscribed & Fully Paid		
20,650,000 Equity Shares of ₹10 each (2020 - 20,650,000)	206.50	206.50
	206.50	206.50

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) (₹ Million)
As at April 1, 2019	20,650,000	206.50
Add/Less: Movement during the year	-	-
As at March 31, 2020	20,650,000	206.50
Add/Less: Movement during the year	-	-
As at March 31, 2021	20,650,000	206.50

(ii) Rights and preferences attached to equity shares :

The Company has one class of equity shares having a par value of Rs. 10 per share. These shares ranks pari passu in all respects including voting rights and entitlement to dividend.

Notes to the Financial Statements

(iii) Details of shareholders holding more than 5 percent shares in the Company :

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
EIH Limited	12,390,000	60.00%	12,390,000	60.00%
Mr. Shivy Bhasin	1,560,108	7.56%	1,560,108	7.56%
Mrs. Mridu Bhasin	1,560,107	7.55%	1,560,107	7.55%
Mr. Gaurav Goyal	1,098,065	5.32%	1,098,065	5.32%
Mr. Manav Goyal	1,098,065	5.32%	1,098,065	5.32%

(iv) Shares of the Company held by holding company:

	As at	As at
	March 31, 2021	March 31, 2020
	Number of Shares	
EIH Limited	12,390,000	12,390,000

17 Other equity

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Reserve and surplus		
Securities premium	293.50	293.50
General reserve	85.50	85.50
Retained earnings (surplus)	821.14	911.38
Total other equity	1,200.14	1,290.38

(i) Securities premium

Opening balance	293.50	293.50
Adjustment during the year	-	-
Closing balance	293.50	293.50

(ii) General reserve

Opening balance	85.50	85.50
Adjustment during the year	-	-
Closing balance	85.50	85.50

(iii) Retained earnings (surplus)

Opening balance	911.38	777.14
Add: Profit/ (Loss) during the year as per Statement of Profit and Loss	(90.46)	321.43
Less: Final dividend	-	(154.88)
Dividend distribution tax	-	(31.84)
Other comprehensive income/(loss) recognised directly in retained earnings	0.22	(0.47)
Remeasurements of post-employment benefit obligation, net of tax		
Closing balance	821.14	911.38

Nature and purpose of reserves

Securities premium

This represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes to the Financial Statements

18 Other non-current financial liabilities

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Security deposits	0.16	0.15
Total other non-current financial liabilities	0.16	0.15

19 Provisions

	As at March 31, 2021			As at March 31, 2020		
Employee benefit obligations	Current	Non-current	Total	Current	Non-current	Total
Leave encashment- Unfunded						
Present value of obligation	0.96	4.39	5.35	0.26	4.70	4.96
Gratuity- unfunded						
Present value of obligation	0.17	0.68	0.85	0.08	0.68	0.76
Total employee benefit obligations	1.13	5.07	6.20	0.34	5.38	5.72

(i) Defined Benefit Plans

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan and provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method.

b) Leave encashment

As per the policy of the Company, obligations on account of encashment of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Projected Unit Credit Method. It is an unfunded plan.

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is ₹3.83 million (for the year ended March 31, 2020 : ₹4.55 million).

(iii) Movement of defined benefit obligation and fair value on plan assets:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Notes to the Financial Statements

	(₹ in Million)			
	Present value of obligation	Gratuity Fair value of plan assets	Net amount	Leave encashment Present value of obligation
April 1, 2019	0.88	-	0.88	3.41
Current service cost	0.17	-	0.17	0.98
Interest expense/(income)	0.06	-	0.06	0.24
Total amount recognised in Statement of Profit and Loss	0.23	-	0.23	1.22
Remeasurements				
Experience (gains)/losses	(0.21)	-	(0.21)	(0.29)
(Gain)/loss from change in financial assumptions	(0.05)	-	(0.05)	1.18
Total amount recognised in Other Comprehensive Income/ (Loss)	(0.26)	-	(0.26)	0.89
Employer contributions	-	-	-	-
Benefit payments	(0.09)	-	(0.09)	(0.56)
March 31, 2020	0.76	-	0.76	4.96
April 1, 2020	0.76	-	0.76	4.96
Current service cost	0.16	-	0.16	0.74
Interest expense/(income)	0.04	-	0.04	0.31
Total amount recognised in Statement of Profit and Loss	0.20	-	0.20	1.05
Remeasurements				
Experience (gains)/losses	(0.02)	-	(0.02)	(0.59)
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	0.08	-	0.08	0.24
Total amount recognised in Other Comprehensive Income/ (Loss)	0.07	-	0.06	(0.35)
Employer contributions	-	-	-	-
Benefit payments	(0.17)	-	(0.17)	(0.31)
March 31, 2021	0.86	-	0.85	5.35

(iv) Post-Employment Benefits

The significant actuarial assumptions were as follows:

	March 31, 2021	March 31, 2020
Discount rate	5.45%	6.50%
Salary growth rate	5%*	5%*

* Salary growth rate for financial year 2020-21 : Nil and from 2021-22 onwards : 5%

Mortality	Indian Assured Lives Mortality (2012-14) ultimate	
	March 31, 2020	Executive
	Staff	
Withdrawal rate - Up to 40 years	30%	30%
Withdrawal rate - 40 - 54 years	5%	5%
Withdrawal rate - 55 - 57 years	5%	5%

Mortality	Indian Assured Lives Mortality (2012-14) ultimate	
	March 31, 2021	Executive
	Staff	
Withdrawal rate - Up to 30 years	30%	30%
Withdrawal rate - 31 - 54 years	5%	5%
Withdrawal rate - 55 - 57 years	5%	5%

Notes to the Financial Statements

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Million)						
	Change in assumptions		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Gratuity						
Discount rate	1%	1%	(0.03)	(0.07)	0.04	0.08
Salary growth rate	1%	1%	0.04	0.07	(0.03)	(0.06)
Leave encashment						
Discount rate	1%	1%	(0.24)	(0.43)	0.26	0.49
Salary growth rate	1%	1%	0.26	0.44	(0.24)	(0.40)

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 i.e., projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

(vi) Risk Exposure

The defined benefit obligations have the under mentioned risk exposures:

Discount rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Liquidity risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the Company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (Or it could be due to insufficient assets/cash.)

Future salary increase risk: The cost is sensitive to the assumed future salary escalation rates for all final salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation of actual cost, the value of the liability will be higher than that estimated.

Demographic risk: In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the cost.

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4.08 years (2020 - 8.48 years) and 9.02 years (2020- 9.95 years) for Gratuity and Leave encashment respectively.

The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

(₹ in Million)						
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	6 to 10 years	More than 10 years	Total
March 31, 2021						
Gratuity	0.17	0.16	0.36	0.21	0.21	1.11
Leave encashment	0.96	0.84	1.95	1.89	1.54	7.18
Total	1.13	1.00	2.31	2.10	1.75	8.29
March 31, 2020						
Gratuity	0.08	0.07	0.21	0.22	1.12	1.70
Leave encashment	0.26	0.29	0.91	1.86	6.65	9.97
Total	0.34	0.36	1.12	2.08	7.77	11.67

Notes to the Financial Statements

20 Deferred tax liabilities (net)

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities on account of:		
Property, plant and equipment, right-of-use asset and intangible assets	103.29	99.32
Fair valuation of security deposit liability	-	-
Total deferred tax liabilities (A)	103.29	99.32
Deferred tax assets on account of:		
Accrued expenses deductible on payment	1.62	1.48
Allowance for doubtful trade receivables	0.03	0.02
Unabsorbed Depreciation/ Business loss	26.63	-
Other temporary differences	1.86	1.90
Total deferred tax assets (B)	30.14	3.40
Deferred tax liabilities (Net-A-B)	73.15	95.92

	(₹ in Million)		
Movement in deferred tax liabilities	Property, plant and equipment, right-of-use asset and intangible assets	Security deposits liability	Total
As at April 1, 2019	117.20	-	117.20
Charged/(Credited):			
- to profit and loss	(17.88)	-	(17.88)
As at March 31, 2020	99.32	-	99.32
Charged/(Credited):			
- to profit and loss	3.97	-	3.97
As at March 31, 2021	103.29	-	103.29

	(₹ in Million)				
Movement in deferred tax assets	Accrued expenses deductible on payment	Allowance for doubtful trade receivables	Unabsorbed Depreciation/ Business loss	Other temporary differences	Total
As at April 1, 2019	1.26	0.06		1.34	2.66
(Charged)/Credited:					
- to profit and loss	0.06	(0.04)		0.56	0.58
- to other comprehensive income/ (loss)	0.16	-		-	0.16
As at March 31, 2020	1.48	0.02	-	1.90	3.40
(Charged)/Credited:					
- to profit and loss	0.21	0.01	26.63	(0.04)	26.81
- to other comprehensive income/ (loss)	(0.07)	-		-	(0.07)
As at March 31, 2021	1.62	0.03	26.63	1.86	30.14

21 Other non-current liabilities

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Advance rent	0.04	0.04
Total other non-current liabilities	0.04	0.04

22 Other current financial liabilities

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Liability for capital expenditure	29.09	48.17
Security deposits	2.19	2.02
Total current financial liabilities	31.28	50.19

Notes to the Financial Statements

23 Other current liabilities

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Advance from customers	5.95	12.62
Statutory and other dues	9.49	5.79
Advance rent	-	0.01
Total other current liabilities	15.44	18.42

24 Revenue from operations

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Rooms	104.02	682.16
Food and beverage	57.55	218.77
Other services	5.23	55.98
Total revenue from operations	166.80	956.91

25 Other income

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on financial assets carried at amortised cost	6.30	12.47
Dividend income from financial assets measured at fair value	14.55	15.19
Income on account of services exports incentive	-	17.87
Other gains/(losses) :		
Net foreign exchange gain	-	0.38
Provisions and liabilities no longer required, written back	0.14	0.14
Miscellaneous income	0.67	2.46
Total other income	21.66	48.51

26 Consumption of provisions, wines & others

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock	9.72	11.57
Add: Purchases	12.27	56.70
	21.99	68.27
Less: Closing stock	8.62	9.72
Total consumption of provisions, wines & others	13.37	58.55

27 Employee benefits expense

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	68.54	87.86
Contribution to provident fund and other funds (Refer note 19)	3.83	4.55
Gratuity (Refer note 19)	0.20	0.23
Staff welfare expenses	8.33	19.78
Total employee benefits expense	80.90	112.42

28 Finance costs

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	0.01	0.08
Interest on lease liabilities (Refer note 40)	0.05	0.10
Total finance costs	0.06	0.18

29 Depreciation and amortisation expense

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	33.79	27.27
Depreciation of right-of-use asset	0.23	0.43
Amortisation of intangible assets	0.30	0.42
Total depreciation and amortisation expense	34.32	28.12

30 Other expenses

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	27.03	59.12
Rent (Refer note 40)	4.13	4.53
Repairs to property, plant and equipment	22.73	29.10
Repairs to others	0.68	1.38
Insurance	2.72	2.47
Rates and taxes	12.53	15.14
Expenses on apartment and board	6.65	11.76
Hotel operating fees	-	58.93
Royalty	1.66	9.58
Advertisement, publicity and other promotional expenses	9.56	41.89
Commission to travel agents and others	16.31	66.14
Passage and travelling	0.75	4.92
Linen, uniform washing and laundry expenses	0.40	0.96
Renewals and replacements	4.00	9.55
Auditors' remuneration (Refer note 30 (a))	1.70	1.75
CSR expenses (Refer note 30 (b))	8.82	9.05
Expenses on contracts for service	13.76	22.85
Allowance for doubtful trade receivables	0.05	-
Loss on sale / discard of property, plant and equipment (Net)	9.24	30.55
Loss on exchange	-	-
Director's sitting fees	1.64	1.32
Security deposits written off	-	0.28
Miscellaneous expenses	14.75	16.79
Total other expenses	159.11	398.06
(a) Details of Auditors' remuneration		
As auditor:		
Audit fee	1.30	1.30
Review of special purpose financial information	0.20	0.20
Tax audit fee	0.20	0.20
Reimbursement of expenses	-	0.05
Total auditors' remuneration	1.70	1.75
(b) Details of CSR Expenditure		
(i) Acquisition of assets		
(ii) On purposes other than above		
Contribution for basic healthcare services to vulnerable communities with special focus to elderly people of Agra, Uttar Pradesh through Help Age India.	3.30	3.50
Contribution for promoting education for underprivileged children by developing schools in and around Agra through Save the Children, Bal Raksha Bharat.	5.32	5.45
Contribution to Orissa Flood Relief Fund	-	0.10

Notes to the Financial Statements

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to PM CARES FUND	0.20	-
Total CSR expenditure	8.82	9.05
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013*	8.82	9.05

31 Tax expense

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) Income tax		
Tax on profits for the year	-	104.99
Adjustments for prior years*	14.00	0.13
Total income tax	14.00	105.12

*During the year ended March 31, 2021, the Company has opted for the "Vivad se Vishwas Scheme 2020", an income tax amnesty scheme to settle tax related litigations/ disputes. The Company has decided to settle its disputes pertaining to assessment year 2011-12 and assessment year 2012-13 and has accordingly recorded a provision of ₹ 14.00 million in the books of account.

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
(b) Deferred tax		
(Decrease) / Increase in deferred tax liabilities	3.97	(17.88)
Decrease / (Increase) in deferred tax assets	(26.74)	(0.74)
	(22.77)	(18.62)
Add : Recognised in other comprehensive income	(0.07)	0.16
Total deferred tax expense/(benefit)	(22.84)	(18.46)
Total tax expense	(8.84)	86.66

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax expense	(99.30)	408.09
Tax at the rate of 25.168% (F.Y. 2020-21 – 25.168%)	(24.99)	102.71
Tax effect of amounts not deductible in calculating taxable income		
Corporate social responsibility expenditure	2.22	2.28
Expenses disallowed under the Income Tax Act, 1961	-	0.93
Tax effect of amounts not taxable in calculating taxable income		
Dividend income exempt from tax	-	(3.82)
Tax expense related to prior periods	14.00	0.13
Others (Tax benefit on rental income)	(0.11)	(0.03)
Adjustment relating to Property, plant and equipment:		
Adjustment on account of depreciable and leased assets	0.04	-
Impact of rate change in deferred tax	-	(15.54)
Total tax expense	(8.84)	86.66

Notes:

- (i) The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision for income tax and re-measured its deferred tax liabilities basis the rate prescribed in the said section and has taken the full effect to the Statement of Profit and Loss during the year ended March 31, 2020.
- (ii) Effective April 1, 2019, the Company had adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application and effect on adoption of this amendment in the previous year was Nil.

Notes to the Financial Statements

32 Fair Value Measurements

Financial instruments by category

	(₹ in Million)			
	As at March 31, 2021		As at March 31, 2020	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments	472.86	-	384.47	-
Trade receivables	-	8.59	-	106.63
Cash and cash equivalents	-	19.53	-	50.03
Other bank balances	-	-	-	154.15
Security deposits	-	5.93	-	5.93
Other receivables	-	5.41	-	5.43
Total financial assets	472.86	39.46	384.47	322.17
Financial liabilities				
Lease liabilities	-	0.27	-	0.53
Security deposits	-	2.35	-	2.17
Trade payables	-	65.67	-	125.88
Capital creditors	-	29.09	-	48.17
Total financial liabilities	-	97.38	-	176.75

(i) Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
	Level 1	Level 1
Financial investments at FVPL		
Investment in mutual funds (Refer Note 10)	472.86	384.47
Total financial assets	472.86	384.47

(ii) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. 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.

(iii) Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

Notes to the Financial Statements

33 Financial risk management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Company's risk management is carried out by a senior management team under policies approved by the Board of Directors. The senior management team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating unit. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(A) Market Risk

(i) Foreign Currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the Management to decide on the requirement of hedging. The position of foreign currency exposure to the Company as at the end of the year expressed in INR Million are as follows :

Currency	₹ in Million	
	Receivables	(Payables)
March 31, 2021		
US Dollar (USD)	-	1.04
Net exposure to foreign currency risk	-	1.04
March 31, 2020		
US Dollar (USD)	-	1.24
Great Britain Pound (GBP)	-	
Net exposure to foreign currency risk		1.24

Sensitivity

If INR is depreciated or appreciated by 5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the Company is as given below:

	₹ in Million	
	Impact on profit	
	March 31, 2021	March 31, 2020
USD sensitivity		
INR/USD Increases by 5% (March 31, 2020 - 5%)	(0.05)	(0.06)
INR/USD Decreases by 5% (March 31, 2020 - 5%)	0.05	0.06

(ii) Interest rate risk

As at the end of the reporting period, the Company does not have any variable rate borrowings outstanding, therefore, Company is not exposed to any interest rate risk.

(iii) Price Risk

The Company does not have investment in market quoted securities. Therefore, the Company is not exposed to market price risk

(B) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation

Notes to the Financial Statements

process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore, is not exposed to any credit risk. As per the Company's past collection history, credit risk is insignificant.

The Company does not have any derivative transaction and therefore is not exposed to any credit risk on account of derivatives.

Reconciliation of allowance for doubtful trade receivables :

	(₹ in Million)
Loss allowance on April 1, 2019	0.21
Changes in loss allowance	(0.14)
Loss allowance on March 31, 2020	0.07
Changes in allowance	0.05
Loss allowance on March 31, 2021	0.12

(C) Liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilisation requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows:

	(₹ in Million)	
Floating Rate	March 31, 2021	March 31, 2020
Expiring within one year		
ICICI Bank Limited Cash Credit Facility	70.00	70.00
Total	70.00	70.00

The bank cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of financial liabilities

The table below analyses the Company's non-derivative financial liabilities into relevant maturity based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

	(₹ in Million)			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2021				
Lease liabilities	0.32	0.10	-	0.42
Liability for capital expenditure	29.09	-	-	29.09
Trade payables	65.67	-	-	65.67
Security deposits	2.14	-	0.21	2.35
Total non-derivative liabilities	97.22	0.10	0.21	97.53
March 31, 2020				
Lease liabilities	0.43	0.42	-	0.85
Liability for capital expenditure	48.17	-	-	48.17
Trade payables	125.78	-	-	125.78
Security deposits	1.96	-	0.21	2.17
Total non-derivative liabilities	176.34	0.42	0.21	176.97

Notes to the Financial Statements

34 Capital Management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages the share capital issued and subscribed alongwith shareholder's fund appearing in the financial statements as capital of the Company.

(b) Dividends

	(₹ in Million)	
	March 31, 2021	March 31, 2020
Final dividend for the year ended March 31, 2020 of ₹ 7.5 (March 31, 2019 – ₹ 7.5)	-	154.88
Dividend distribution tax	-	31.84
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend	-	-
Dividend distribution tax on proposed dividend	-	-

35 Micro and Small Enterprises

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid at the end of the year **	0.35	3.34
(ii) Interest due thereon remaining unpaid at the end of the year	-	0.01
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	-	0.01
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	0.01
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-
(vii) Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961	-	0.01
Total	0.35	3.35

** Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the Company.

36 Total outstanding dues of creditors other than micro enterprises and small enterprises

	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Trade payables to related parties	14.32	55.08
Trade payables - others	51.00	67.35
Total	65.32	122.43

Notes to the Financial Statements

37 Related Party Transactions

a) List of Related Parties

(i) Key Management Personnel of the Company and its Parent Company

Mr. P. R. S. Oberoi	Chairman
Mr. Shivy Bhasin	Vice Chairman
Late Mr. Bharath Bhushan Goyal (upto 06.04.19)	Managing Director
Mr. Manish Goyal (Director upto 16.05.2019 and Managing Director w.e.f. 17.05.2019)	Managing Director
Mr. T. K. Sibal	Director
Mr. Manav Goyal (w.e.f. 17.05.2019)	Director
Mr. Vikramjit Singh Oberoi	Director
Mr. Arjun Singh Oberoi	Director
Mr. Rajkumar Kataria	Director
Mr. Sandeep Kumar Barasia	Director
Dr. Chhavi Rajawat (w.e.f. 25.10.2019)	Director
Mr. S. N. Sridhar	Company Secretary
Mr. Kallol Kundu	Chief Financial Officer
Mr. S. S. Mukherji	Vice Chairman of the Parent Company

(ii) Parent Company

EIH Limited

(iii) Fellow Subsidiaries

Mashobra Resort Limited

Oberoi Kerala Hotels & Resorts Limited

EIH International Limited

EIH Flight Services Ltd

EIH Holdings Ltd

EIH Investments N.V. (Liquidated during FY 2020-21)

EIH Management Services B.V. (Liquidated during FY 2019-20)

PT Widja Putra Karya

PT Waka Oberoi Indonesia

PT Astina Graha Ubud

(iv) Associate / Joint Venture of Parent Company

(a) Associate of Parent Company

EIH Associated Hotels Limited

La Roseraie De L'atlas

Usmart Education Limited

(b) Joint Venture of Parent Company

Mercury Car Rentals Private Limited

Oberoi Mauritius Ltd. (including its subsidiary, Island Resort Limited)

(v) Enterprises in which Key Management Personnel and close member of Key management personnel have Joint Control or Significant Influence with whom transactions have taken place during the current/previous year

Oberoi Hotels Private Limited

Regent Tours and Travels Private Limited

Notes to the Financial Statements

37(b) Transactions with Related Parties for the year ended March 31, 2021

(₹ in Million)

Nature of Transactions	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company		Enterprises in which Key Management Personnel and close member of Key management personnel have Joint Control or Significant Influence with whom transactions have taken place during the current/previous year		Key Management Personnel	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
PURCHASES										
Purchase of goods and services										
EIH Limited	65.53	107.11	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.25	0.63	-	-	-	-
Mashobra Resort Limited	-	-	-	0.08	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	1.92	5.24	-	-	-	-
Total	65.53	107.11	-	0.08	2.17	5.87	-	-	-	-
Management Contract										
EIH Limited	3.92	92.15	-	-	-	-	-	-	-	-
Total	3.92	92.15	-	-	-	-	-	-	-	-
Royalty										
Oberoi Hotels Private Limited	-	-	-	-	-	-	1.96	11.31	-	-
Total	-	-	-	-	-	-	1.96	11.31	-	-
Director's sitting fees										
Mr. P. R. S. Oberoi	-	-	-	-	-	-	-	-	0.12	0.08
Mr. Shivy Bhasin	-	-	-	-	-	-	-	-	0.16	0.12
Mr. T. K. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Manish Goyal	-	-	-	-	-	-	-	-	0.20	0.24
Mr. Manav Goyal	-	-	-	-	-	-	-	-	0.16	0.12
Mr. Vikramjit Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.20
Dr. Chhavi Rajawat	-	-	-	-	-	-	-	-	0.12	0.08
Mr. Arjun Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.04
Mr. Raj Kataria	-	-	-	-	-	-	-	-	0.20	0.20
Mr. Sandeep Kumar Barasia	-	-	-	-	-	-	-	-	0.12	0.08
Total	-	-	-	-	-	-	-	-	1.64	1.32
SALES										
Sale of goods and services										
EIH Limited	0.52	1.77	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.07	0.28	-	-	-	-
Mashobra Resort Limited	-	-	-	0.16	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.05	-	-
Total	0.52	1.77	-	0.16	0.07	0.28	-	0.05	-	-
Sale of property, plant and equipment										
EIH Limited	-	0.01	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.03	0.15	-	-	-	-
Total	-	0.01	-	-	0.03	0.15	-	-	-	-
INCOME										
License agreement										
EIH Associated Hotels Limited	-	-	-	-	1.29	1.05	-	-	-	-
Total	-	-	-	-	1.29	1.05	-	-	-	-

Notes to the Financial Statements

(₹ in Million)

Nature of Transactions	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company		Enterprises in which Key Management Personnel and close member of Key management have Joint Control or Significant Influence with whom transactions have taken place during the current/previous year		Key Management Personnel	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
PAYMENTS										
Dividend on equity shares										
EIH Limited	-	92.93	-	-	-	-	-	-	-	-
Mr. Shivy Bhasin	-	-	-	-	-	-	-	-	-	11.70
Mr. Manav Goyal	-	-	-	-	-	-	-	-	-	8.24
Mr. Manish Goyal	-	-	-	-	-	-	-	-	-	6.14
Total	-	92.93	-	-	-	-	-	-	-	26.08
Refund of collections to related party										
EIH Limited	0.02	0.62	-	-	-	-	-	-	-	-
Mashobra Resort Limited	-	-	-	0.01	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.03	0.07	-	-	-	-
Total	0.02	0.62	-	0.01	0.03	0.07	-	-	-	-
Expense reimbursed to related party										
EIH Limited	3.15*	0.96	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	1.12	1.23	-	-	-	-
Mashobra Resort Limited	-	-	-	0.01	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.03	0.01	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	-	0.40	-	-
Total	3.15	0.96	-	0.01	1.15	1.24	-	0.40	-	-
RECEIPTS										
Recovery of collections by related party										
EIH Limited	0.53	0.20	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.01	0.28	-	-	-	-
Total	0.53	0.20	-	-	0.01	0.28	-	-	-	-
Expense reimbursed by related party										
EIH Limited	0.63	4.92	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.58	1.56	-	-	-	-
Mashobra Resort Limited	-	-	-	0.08	-	-	-	-	-	-
Total	0.63	4.92	-	0.08	0.58	1.56	-	-	-	-

* includes ₹ 0.20 Million towards CSR contribution arranged by the parent company on behalf of the Company to PM CARES FUND.

Notes to the Financial Statements

37(c) The details of amounts due to or due from related parties as at March 31, 2021 and March 31, 2020 are as follows :

Outstanding balancing	(₹ in Million)									
	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company		Enterprises in which Key Management Personnel and close member of Key management personnel have Joint Control or Significant Influence with whom transactions have taken place during the current/previous year		Key Management Personnel	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
PAYABLES										
For goods, services and management Contract										
EIH Limited	12.68	49.76	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.39	0.28	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.15	1.64	-	-	-	-
Total	12.68	49.76			0.54	1.92				
Royalty										
Oberoi Hotels Private Limited	-	-	-	-	-	-	1.06	3.40	-	-
Total							1.06	3.40		
Director's sitting fees										
Mr. Manish Goyal	-	-	-	-	-	-	-	-	0.04	-
Total									0.04	
RECEIVABLES										
For goods and services										
EIH Limited	0.26	1.07	-	0.08	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.51	0.35	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	-	0.10	-	-
Total	0.26	1.07		0.08	0.51	0.35		0.10		
Recoverables from the directors*										
Mr. P. R. S. Oberoi	-	-	-	-	-	-	-	-	0.04	-
Mr. Shivya Bhasin	-	-	-	-	-	-	-	-	0.04	-
Mr. T. K. Sibal	-	-	-	-	-	-	-	-	0.04	-
Mr. Manav Goyal	-	-	-	-	-	-	-	-	0.04	-
Dr. Chhavi Rajawat	-	-	-	-	-	-	-	-	0.04	-
Total									0.20	

*The amount relates to director's sitting fees inadvertently paid to the above mentioned directors which has been recovered subsequent to the year end.

38 The Company had contingent liabilities at March 31, 2021 in respect of:

Claims against the Company pending appellate/ judicial decisions not acknowledged as debts:

	(₹ in Million)	
	March 31, 2021	March 31, 2020
i. Stamp Duty	10.23	10.23
ii. Sales Tax	0.19	0.19
iii. Expenditure tax	0.10	0.10
iv. Income-tax (Refer note 31)	3.25	17.25

The matters listed above are in the nature of statutory dues, namely, Stamp Duty, Sales Tax, Expenditure Tax and Income Tax, all of which are under litigation, the outcome of which would depend on the merits of facts and law at an uncertain future date. The amounts shown in the items above represent the best possible estimates arrived at, are on the basis of currently available information and the cases that are disputed by the Company are those where the management is of the view that it has strong legal positions. The management is of the view that the outcomes of these matters are not envisaged to have any material adverse impact on the Company's financial position.

Notes to the Financial Statements

39 Commitments

	(₹ in Million)	
	March 31, 2021	March 31, 2020
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:	-	-
Property, plant and equipment (Net of capital advances)	17.54	53.80

40 Leases

(₹ in Million)

Effective April 1, 2019, the Company had adopted Ind AS 116 -“Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

On transition, the adoption of the new standard resulted in reclassification of ₹ 0.86 million from property, plant and equipment to right-of-use assets, reclassification of ₹ 0.43 million from other current financial liabilities to lease liabilities – current and reclassification of ₹ 0.53 million from non-current borrowings to lease liabilities – non-current. There had been no impact on the retained earnings due to application of the standard.

The following is the summary of practical expedients elected on initial application:

- 1) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review-there were no onerous contracts as at April 1, 2019.
- 2) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Amount recognised in Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases:

Particulars	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge for the right-of-use assets (vehicle leases)	0.23	0.43
Interest expense (included in Finance costs)	0.05	0.10
Expense relating to short-term leases (included in other expenses)	4.13	4.53
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	0.09	0.13

The total cash outflow flows for leases for the year ended March 31, 2021 is ₹ 0.26 million (March 31, 2020 was ₹ 0.43 million) were presented as part of cash flows from financing activities.

Following are the changes in the carrying value of right-of-use assets:

	(₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	0.43	-
*Reclassified on adoption of Ind AS 116	-	0.86
Additions	-	-
Depreciation	0.23	0.43
Closing Balance	0.20	0.43

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under Ind AS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Company’s borrowings and other financial liabilities. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

Notes to the Financial Statements

The following is the break-up of current and non-current lease liabilities:

Particulars	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	0.25	0.26
Non-current lease liabilities	0.02	0.27
Total	0.27	0.53

The following is the movement in lease liabilities:

Particulars	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	0.53	-
Reclassified on adoption of Ind AS 116	-	0.96
Additions	-	-
Finance cost accrued during the year	0.05	0.10
Payment of lease liabilities	(0.31)	(0.53)
Closing Balance	0.27	0.53

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(₹ in Million)	
	As at March 31, 2021	As at March 31, 2020
Less than one year	0.25	0.26
One to five years	0.02	0.27
Total	0.27	0.53

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease

Assets given on Operating Lease-Lessor

The Company gives shops located at hotel unit on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving notice.

41 Segment Reporting

There are no reportable segments other than hotel as per Ind AS 108, "Operating Segment".

42 Earnings per equity share

	₹	
	March 31, 2021	March 31, 2020
(a) Basic earnings per equity share	(4.38)	15.57
(b) Diluted earnings per share	(4.38)	15.57

(c) Reconciliations of earnings used in calculating earnings per equity share

	(₹ in Million)	
	March 31, 2021	March 31, 2020
Profit/ (Loss) attributable to the equity holders of the Company used in calculating basic earnings per share	(90.46)	321.43
Profit/ (Loss) attributable to the equity holders of the Company used in calculating diluted earnings per share:	(90.46)	321.43

Notes to the Financial Statements

(d) Weighted average number of shares used as the denominator

	March 31, 2021 Number of Shares	March 31, 2020 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,650,000	20,650,000
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	20,650,000	20,650,000

43 Reconciliation of liabilities arising from financing activities

The table below details the changes in Company's borrowings arising from financing activities, including both cash and non-cash

	As at March 31, 2020	Cash Flows	Non-cash changes	(₹ in Million) As at March 31, 2021
Non-current borrowings	-	-	-	-
Lease liabilities	0.53	(0.26)	-	0.27
Total	0.53	(0.26)	-	0.27

	As at March 31, 2019	Cash Flows	Non-cash changes	(₹ in Million) As at March 31, 2020
Non-current borrowings (including current maturities of finance lease obligations)	0.96	-	(0.96)	-
Lease liabilities	-	(0.43)	0.96	0.53
Total	0.96	(0.43)	0.00	0.53

44 Disclosure on contract balances :

Trade receivables

A trade receivable is recorded when the Company has an unconditional right to receive payment. In respect of revenue from rooms, food and beverages and other services invoice is typically issued as the related performance obligations are satisfied as described in note 1(b) (Refer Note 11).

Advance from customers

Advance from customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 23).

Particulars	As at March 31, 2021	(₹ in Million) As at March 31, 2020
As at the beginning of the year	12.62	18.24
Recognised as revenue during the year	11.74	17.71
As at the end of the year	5.95	12.62

45 There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code and Rules thereunder become effective.

Notes to the Financial Statements

47 Impact of COVID-19 on Business Operations

The World Health Organization declared the COVID-19 outbreak as a pandemic on March 11, 2020, leading to a series of measures by different countries across the world to contain the spread of the virus and India responded by imposing a lockdown from March 24, 2020. The hotel operations of the Company were mandated to remain non-operational upto the third week of September, 2020 and this had a significant impact on business at the Company's hotel.

The consequences of the COVID-19 outbreak on the Company's business for the year ended March 31, 2021 have been severe. Several cost rationalization measures have been initiated during the period and are being monitored. The Company's hotel reopened its operations from October 11, 2020 and has thereafter witnessed a moderate pick-up in business.

The Management does not foresee any stress on liquidity owing to the availability of liquid funds in the form of cash and cash equivalents and investments in mutual funds amounting to ₹ 492.39 Million as on March 31, 2021. The Management has assessed the potential impact of COVID-19 including, but not limited to, its assessment of liquidity and going concern assumption, on the carrying amounts of property, plant and equipment, right of use of assets, capital work-in-progress, intangible assets, inventories, investments, trade receivables, other current and non-current assets appearing in the financial statements of the Company as on March 31, 2021, and has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets. The impact of COVID-19 on the business may be different from that estimated on the date of approval of these financial statements and the Management will continue to closely monitor any material changes to future economic conditions.

48 The financial statements were approved for issue by the Board of Directors on April 23, 2021.

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi

Director
(DIN No: 00052014)

Manish Goyal

Managing Director
(DIN No: 00059182)

Place: Delhi

Date: April 23, 2021

Kallol Kundu

Chief Financial Officer

S.N. Sridhar

Company Secretary

MASHOBRA RESORT LIMITED

BOARD OF DIRECTORS

Mr. Anil Kumar Khachi, Chairperson
Mr. Prabodh Saxena

Mr. Devesh Kumar w.e.f. 11.08.2020
Mr. Ram Dass Dhiman upto 11.08.2020
Mr. Arjun Oberoi, Managing Director
Mr. Vikram Oberoi
Mr. T.K. Sibal
Mr. S.N. Sridhar, Director & Secretary

CHIEF FINANCIAL OFFICER

Mr. Kallol Kundu

AUDITORS

Deloitte Haskins & Sells LLP,
Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122002
Haryana

REGISTERED OFFICE

Wildflower Hall
(An Oberoi Resort)
Chharabra
Shimla - 171 012
Himachal Pradesh

CORPORATE OFFICE

7, Sham Nath Marg
Delhi 110 054

Directors' Report

The Members

Mashobra Resort Limited

The Board presents its Twenty Sixth Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2021.

Financial Highlights

The Financial Highlights of the year under review as compared to the previous year are as follows:

Particulars	Rs. in Million	
	2020-21	2019-20
Total Revenue	390.75	500.99
Operating Profit before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	197.46	248.55
Interest	0.99	0.98
Depreciation and Amortization Expenses	14.20	12.42
Profit/(Loss) before Tax	182.27	235.15
Tax including Deferred Tax	54.48	69.99
Profit/(Loss) after Tax	127.79	165.16
Other Comprehensive Income/(Loss), net of tax	1.11	(0.56)
Total Comprehensive Income	128.90	164.60
Profit/(Loss) Brought Forward from earlier year	288.42	123.82
Profit/(Loss) Carried Over	417.32	288.42

Performance

During the Financial Year under review, the Total Revenue was Rs. 390.75 Million as compared to Rs. 500.99 Million in the previous year. The profit for the year before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was Rs. 197.46 Million as compared to profit of Rs. 248.55 Million in the previous year. The profit after tax was Rs. 127.79 Million as compared to profit of Rs. 165.16 Million in the previous year, a decrease of 22.63%. The Total Comprehensive Income was Rs. 128.90 Million as compared to Rs. 164.60 Million in the previous year, a decrease of 21.09%.

The performance of the Company was affected due to the outbreak of Covid-19 in the early part of the year 2020. The prolonged lockdown and consequent travel restrictions to avoid spread of Covid-19 pandemic imposed by the Government of India as well other countries globally, almost all business segments i.e. corporate, leisure, MICE and direct business were severely impacted. The hospitality industry, in general has been severely impacted in terms of occupancy, ARR, RevPAR, turnover and profitability. Due to travel ban by several countries foreign travellers coming to India has become almost negligible. This has severely impacted the hotel industry in the Financial Year 2020- 21. However, when the Covid-19 pandemic started declining in November 2020, the domestic travellers improved occupancy of the hotel resulting in a reasonably good performance by the Company in the Financial Year. However, with the resurgence of

Covid-19 in several countries, the hotel and tourism industry is expected to remain under pressure.

A note on the impact of Covid-19 on the Company's operations is given in Note No. 45 of the Notes to the Accounts.

The Company and the Hotel have taken various initiatives to protect the Health and Safety of Guests and Employees. All precautions as per the World Health Organisation Guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to including to the following steps:

- All public areas such as Restaurants, SPA, Gym, swimming pool etc. made non-operational;
- Hotel kept operational through minimum possible team strength for carrying out repair and maintenance work;
- Temperature measuring devices provided at the hotel for continuous monitoring of guests and employees;
- General Manager of the Hotel is in continuous touch with local health officials for implementation of necessary guidelines.

Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 ("the Act"), and based on representations from the Management, the Board states that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for that period;
- c) the directors, to the best of their knowledge and ability, have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the Annual Accounts of the Company on a "going concern" basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors' Report (Contd.)

Directors

Mr. Devesh Kumar (DIN: 00329576) was appointed by the Board on 11th August 2020 in the casual vacancy caused due to the vacation of office by Mr. Ram Dass Dhiman.

The Board places on record its deep appreciation of the services rendered and valuable contributions made by Mr. Ram Dass Dhiman during his tenure as Director on the Board of the Company.

In accordance with Section 161(4) of the Act, Mr. Devesh Kumar (DIN: 00329576) who was appointed by the Board in the causal vacancy is required to be approved by the Shareholders at the next Annual General Meeting of the Company. Mr. Devesh Kumar will hold office as a Director up to the date up to which Mr. Ram Dass Dhiman would have held office, had he not vacated his office as Director. The Directors recommend appointment of Mr. Devesh Kumar as a regular Director on the Board, liable to retire by rotation.

Mr. Prabodh Saxena (DIN: 08255489) and Mr. S.N.Sridhar (DIN: 03613123) will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Directors recommend re-appointment of Mr. Prabodh Saxena and Mr. S.N.Sridhar.

Board Meeting

During the year, the Company held four Board Meetings on 18th May 2020, 11th August 2020, 23rd October 2020 and 27 January 2021 respectively. The attendance of the Directors is as under:

Name of the Director	No. of Meetings attended
Mr. Anil Kumar Khachi	3
Mr. Prabodh Saxena	4
Mr. Devesh Kumar*	3
Mr. Ram Dass Dhiman@	1
Mr. Arjun Singh Oberoi	4(4)
Mr. Vikramjit Singh Oberoi	4(4)
Mr. T.K. Sibal	4(4)
Mr. S.N. Sridhar	4(4)

*appointed as a Director with effect from 11th August 2020
@ ceased to be a Director with effect from 11th August 2020

() The number in bracket represents meetings attended through video conference out of the total number of meetings attended.

Audit Committee and the Nomination and Remuneration Committee

The Company is a Joint Venture between EIH Ltd and the Government of Himachal Pradesh. Therefore, the company is not required to comply with the provisions relating to Audit Committee (Section 177) and Nomination and Remuneration Committee (Section 178) pursuant to Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Independent Directors and their Meeting

The Company is a Joint Venture between EIH Ltd and the Government of Himachal Pradesh. Therefore, in accordance with Section 149(4) of the Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended by Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, with effect from 5th July 2017, the Company is not required to appoint Independent Directors.

As the Company is not required to appoint Independent Director, the requirement of holding at least one meeting of the Independent Directors in a year pursuant to Schedule V of the Act has no application.

Corporate Social Responsibility

In accordance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company's CSR Policy formulated in the Financial Year 2014-15 can be accessed on the holding Company, EIH Limited website, www.eihltd.com.

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2020-21 is attached in the prescribed format [Annexure –II to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021] and forms part of this report.

Directors Appointment and Remuneration Policy

The Company is not covered under sub-section (1) of Section 178 of the Act, being a Joint Venture Company. Therefore, the requirement of clause (e) of sub-section 3 of Section 134 does not apply to the Company.

Board Evaluation

The Company has put in place a Board Evaluation Process and Policy for evaluation of Board of Directors, Individual Directors and Committees etc. M/s Excellence Enablers Private Limited led by former SEBI Chairman, Mr. M. Damodaran had conducted the evaluation of the Board, Committees and Individual Directors. The Board Evaluation Report for the Financial Year 2020-21 submitted by Mr. Damodaran has been taken on record by the Board.

Risk Management

The Company is a subsidiary of EIH Limited, the holding Company. EIH Limited has in place a comprehensive Risk Management policy, framework and risk committee which is made applicable to the Company's hotel, Wildflower Hall and the Company. The risk, if any, on the Company and the Company's hotel is monitored periodically and reported to the Board.

Energy Conservation Measures

During the year, focussed energy conservation efforts in hotel wildflower hall continued. By careful consideration, several conventional lamps were replaced with energy efficient LED lamps. The hotel was closed during the lockdown period from April 2020 to August 2020. An advanced action plan for

controlling energy consumption was activated much prior to lockdown. The plan included steps for creative and smart adaptation to the unfolding situation. Building systems were operated at minimum levels mandated for maintaining safe and hygienic environment. At the same time, an operation and maintenance strategy was implemented to ensure periodic maintenance of plant and machinery. This warranted that all equipment were kept in the most efficient state by carrying all maintenance routines.

Furthermore, when the hotel was re-opened in September 2020, energy conservation measures like tight operational control of lighting and other equipment, regulation of air conditioning set points according to ambient temperatures, taking guest floors out of order during periods of low occupancy, optimization of laundry and boiler operation were continued.

With various energy conservation measures taken in the Financial Year 2020-21, the Company was able to reduce the total equivalent energy consumption by about 23.5 lakh KWh which is about 40% reduction over the preceding Financial Year. The reduction in fuel oil consumption by about 1.25 lakh litres has also resulted in reduction of our carbon dioxide emissions by about 4.35 lakh kg in comparison to the previous financial year.

Some of the actions planned for the next year are replacement of remaining conventional lamps with energy efficient LED lamps, installation of heat pumps in place of conventional fuel based water heaters, installation water flow optimizers in taps.

Operational measures include setting of benchmarks with respect to the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring and performance evaluation of plant and machinery by conducting regular self-audit and up gradation of plant room equipment.

Foreign Exchange Earnings and outgo

Foreign exchange earnings during the year amounted to Rs.24.20 Million as compared to Rs. 64.69 Million in the previous year. The outflow of foreign exchange during the year was Rs. 5.13 Million as compared to Rs. 6.19 Million in the previous year.

Secretarial Standards

During the year, the Company has complied with the applicable Secretarial Standards.

Auditors

At the 22nd Annual General Meeting of the Company held in year 2017, the members had approved the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (FRN 117366W/W-100018) as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years from the conclusion of the 22nd Annual general meeting till the conclusion of the 27th Annual General Meeting.

Auditor's Report

The Auditor's Observations, if any, in their report have been fully explained in Notes 3(ii) and 17 of the financial statement and do not call for any further comments.

Cost Records

The Company is not required to maintain cost records in accordance with Section 148 of the Act read with Rule 3 of the Companies (Cost Record and Audit) Rules 2014 as the services of the Company are not covered under these rules.

Significant and Material Orders, if any

During the year, there were no significant and material orders passed by the regulators, courts or tribunals impacting the going concern status and the Company's operation in future.

Prevention of Sexual Harassment at Work Place

During the year, one complaint of sexual harassment at the work place (wildflower hall) was received in March 2021. The Internal Complaints Committee investigated the Complaint and appropriate action including termination of the accused was completed in the 1st week of April 2021. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition. and Redressal) Act, 2013 and filed necessary returns under the Act.

Related Party Transactions

The contracts, arrangements or transactions with Related Parties are in the ordinary course of business and are at arm's length. There are no material Contracts, arrangements or transactions entered into by the Company with its Related Parties, required to be reported in the prescribed form in accordance with Section 188 of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014. The Related Party Transactions entered during the year are given in Note no 35 of the Financial Statement.

Internal Financial Controls

The Company has put in place adequate Internal Financial Control systems commensurate with the size and operation of the business.

Annual Return

In accordance with Section 92(3) of the Companies Act, 2013 read with rules made thereunder, the Annual Return of the Company in Form MGT-7 has been placed on the website of the holding company, www.eihltd.com

Loans, Guarantees or investments

During the year, the Company has not given any loan or guarantee and has not made any investments.

Deposits

During the year, the Company has not accepted any deposits.

Secretarial Audit

In accordance with the listing regulations applicable to the holding company, EIH Limited, the Company is recognised as a "unlisted material subsidiary company" of EIH Limited. Therefore, the secretarial audit of the records of the Company was required to be conducted by a Practising Company Secretary and attached with the Annual Report of the holding Company. Accordingly, the secretarial audit of the records of the Company was conducted by a Practising Company Secretary. The report submitted by the Practising Company Secretary does not contain any qualification, reservation or

Directors' Report (Contd.)

adverse remark. The report is annexed and forms part of this report.

Internal Audit and Vigil Mechanism

The Company does not qualify for the appointment of an Internal Auditor under the relevant provisions of the Act. However, the Chief Internal Auditor of the holding Company, EIH Limited, also conducts internal audit of the records of the Company and his report is periodically placed before the Board.

The Company also does not qualify for the requirement for establishment of a vigil mechanism as required under Section 177 of the Act read with Rule 7 (1) of the Companies (Meetings of the Board) Rules, 2014.

Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associate or joint venture.

Director/KMP Remuneration

The Key Managerial Personnel of the Company, namely, Mr. Arjun Singh Oberoi, Managing Director, Mr. Kallol Kundu and Mr. S.N. Sridhar, Company Secretary do not draw any remuneration from the Company. Sitting fee of Rs. 40,000 per sitting of the Board or a Committee thereof is paid to all Directors. The total sitting fee paid during the Financial Year 2020-21 was Rs. 1.16 Million.

Date: April 23, 2021

Place: Shimla

Top 10 Employees Remuneration

In accordance with Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a list of Top 10 employees' remuneration details is Annexed and forms part of this report.

Particulars of Employees

There is no employee in the Company drawing remuneration more than the limit prescribed under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Awards

Awards won by Wildflower Hall, Shimla is as under:

Top 25 Luxury Hotels India (Ranked 6 th)	Trip Advisor Travellers' Choice Awards 2019
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Acknowledgment

Your Directors wish to place on record their deep appreciation of the commitment and dedication of the employees at all levels, which has been critical for the Company's performance. The Directors look forward to their continued support in future.

For and on behalf of the Board

Arjun Singh Oberoi
Managing Director

T.K. Sibal
Director

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR COMMENCING ON OR AFTER 1ST APRIL 2020 (ANNEXURE -II)

1. Brief outline on CSR Policy of the Company

The Company's CSR Policy focus on addressing the critical social, economic and educational needs of the marginalized under-privileged and differently abled children of the society. Directing its energies to orphan, homeless and differently abled children and care for their educational, nutritional, health, psychological development needs and Promotion and Development of Traditional Arts and Handicrafts. The policy also focusses on sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga and also for contribution to the Prime Minister's National Relief Fund.

The Board of Directors at the Board meeting held on 23rd October 2020, on the recommendation of the CSR Committee, approved a CSR spend of Rs. 4,890,337 for the Financial Year 2020-21, being 2% of average net profit of the Company in the last three Financial Years. The amount was spent on the following activities:

- a) Skill Development through vocational training of students at the School for Hearing and Visually Impaired, Dhalli, Mashobra, Shimla;
- b) Operation, Repair and Maintenance work at the School for Hearing and Visually Impaired, Dhalli, Mashobra, Shimla and
- c) Work done at the Model Children Home, Arki, Mashobra, Shimla (Home for the blind);
- d) Contribution to the PM cares fund for Covid-19 pandemic.

The CSR Policy and the activities of the Company are available on the holding Company, EIH Limited website www.eihltd.com.

2. Composition of the CSR Committee

S.No.	Name of Director	Designation /nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arjun Singh Oberoi	Managing Director	1	1
2.	Mr. Vikramjit Singh Oberoi	Director	1	1
3.	Mr. Devesh Kumar	Director	-	-

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Composition of the CSR Committee of the Company and the CSR projects approved by the Board are available on the holding Company EIH Limited website, www.eihltd.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable as CSR spent is less than Rs. 10 crores.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		Not applicable	

6. Average Net Profit of the company as per Section 135(5): Rs. 244,516,826

7. a) Two percent of average net profit of the company as per Section 135(5): Rs. 4,890,337

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 4,890,337

CSR Activities (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)
4,890,337	NIL	NIL

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as Section 135 (6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name of Agency	CSR Registration number
1	Skill Development (vocational training) at the School for the Hearing and visually impaired at Village Dhalli, Mashobra, Shimla	(ii)- Promoting Educational including special education etc.	Yes	H.P	Shimla	2,030,337	2,030,337	NIL	Yes		NA
2	Operational expenditure on the vocational training at the School for the Herring and visually impaired at Village Dhalli Mashobra Shimla	(ii)- Promoting Educational including special education etc.	Yes	H.P	Shimla	3,00,000	3,00,000	NIL	Yes		NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as Section 135 (6) - (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
			State	District						Name
										CSR Registration number
3	Work at the Model Children Home, Arki, Mashobra (Home for the blind.)	(ii)- Promoting Education including special education etc.	Yes	H.P. Shimla	Continuous	2,360,000	2,360,000	NIL	Yes	NA
4	Contribution to the PM cares fund for Covid-19 pandemic	viii- Contribution to PM Cares fund	No	Not Applicable	Not Applicable	2,00,000	2,00,000	NIL	Yes	NA
	Total					4,890,337	4,890,337	NIL		

CSR Activities (Contd.)

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration number
NOT APPLICABLE									

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **Not applicable.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs.4,890,337**

(g) Excess amount for set-off, if any: **Nil**

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
NIL							
Total							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
NIL								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): **N.A.**

(b) Amount of CSR spent for creation or acquisition of capital asset: **N.A.**

- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N.A.**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N.A.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

The Company has fully spent the two percent of the average net profit as per Section 135(5) in the Financial Year 2020-21.

Place: Shimla
Dated: April 23, 2021

For and on behalf of the Board

Arjun Singh Oberoi
Managing Director

T.K. Sibal
Director

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
EIH Limited, and
Mashobra Resort Limited

Hotel Wildflower Hall,
Chharabra, Shimla
Himachal Pradesh-171012

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Mashobra Resort Limited**” (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2021 (“the financial year”), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2021, according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and the rules made thereunder read with notifications, exemptions and clarifications thereto;
- II. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent applicable in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- III. Secretarial Standards issued by the Institute of Company Secretaries of India;
- IV. Other significant laws specifically applicable to the Company, including:

- a) Tourism Policy of Government of India and Classification of Hotels
- b) Food Safety and Standards Act, 2006 and Rules made thereunder
- c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
- d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder
- e) Phonographic and Performance License
- f) Indian Explosives Act, 1884 and Rules made thereunder
- g) The Apprentices Act, 1961 and Rules made thereunder
- h) India Boiler Act, 1923

During the financial year, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned herein above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors, The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. The Board in its Meeting held on August 11, 2020 appointed Mr. Devesh Kumar as a Director in the casual vacancy caused due to vacation of office by Mr. R D Dhiman.
3. During the financial year, adequate notice along with agenda and detailed notes on agenda was given to all directors for the meetings of the Board and its Committee(s) and in case of shorter notice, due compliance of relevant provisions of the Act and Secretarial Standards in this regard was made. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
4. Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes.
5. In accordance with the guidelines prescribed by the Ministry of Corporate Affairs (the “MCA”) for holding

general meeting/ conducting postal ballot through e-voting vide General Circular Nos. 14/2020 dated 8th April 2020; 17/2020 dated 13th April 2020; 22/2020 dated 15th June 2020; (the “Relevant Circulars”) the Company conducted its Annual General Meeting on June 26, 2020 through video conferencing.

6. The shareholders in its 25th Annual General Meeting held on June 26, 2020 appointed Mr. Anil Kumar Khachi and Mr. Prabodh Saxena, who were appointed by the Board in the casual vacancy/ies, as regular Directors liable to retire by rotation.

We further report that during the financial year there were no specific events/ actions having major bearing on the Company’s affairs affecting its going concern or alter the charter or capital structure or management or business operation or control etc., in pursuance of the above referred laws, regulations, guidelines, standards etc. referred to above.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific, under both Central and State legislations, reliance has been placed on the quarterly Compliance Certificate and reporting by Mashobra Resorts Ltd. to the Company Secretary of the Company and the Compliance Certificate duly signed by the Company Secretary, as placed before the meeting of the Board of Directors of the Company as well as of EIHL Limited (“EIHL”), the holding company, for each quarter. Also, the team of Chief Internal Auditor of EIHL conducts audit, of all hotels run by EIHL, along with unlisted material subsidiaries and joint venture companies of EIHL, which also covers compliances under applicable laws. Based on the aforesaid internal compliance management and certification mechanism, we are of the opinion that the Company has generally complied with the following:

- i) Deposit of Provident Fund, Employee State Insurance, Employee Deposit Linked Insurance and other employee related statutory dues;

- ii) Applicable stipulations pertaining to the Payment of Wages Act, Minimum wages Act, Contract Labour (Regulation and Abolition) Act and other related legislations;

- iii) Deposit of taxes relating to Income Tax, Goods and Services Tax and other applicable taxes including Tax Deducted at Source. The estimated liability in respect of cases of disputed tax liabilities and other legal cases have been disclosed as contingent liability in the Notes to Accounts forming an integral part of the financial statement for the year under review, and brief of the same has also been disclosed in the Independent Auditors’ Report;

- iv) Applicable State and Central laws, including those related to the Environment, Food Safety & Standards and Standards of Weights and Measures, pertaining to the operations of the Company. However, notices from the statutory authorities, whenever received, are reported to the Management and appropriate action is taken from time to time.

For **Jus & Associates**
Company Secretaries
Dr. Ajay Kumar Jain

Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800

Date: April 23, 2021
Place: New Delhi

UDIN: F001551C000169642

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To,

The Members of
EIH Limited, and
Mashobra Resort Limited
Hotel Wildflower Hall,
Chharabra, Shimla
Himachal Pradesh-171012

Our Secretarial Audit Report of even date for the financial year ended March 31, 2021 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our responsibility is to express an opinion based on examination of systems and procedures being followed by the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Jus & Associates**
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800

Date: April 23, 2021
Place: New Delhi

Independent Auditor's Report

To The Members of Mashobra Resort Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MASHOBRA RESORT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 17 of the financial statements regarding disclosure of advance towards equity shares pending settlement of legal issues between Government of Himachal Pradesh and EIH Limited and Note 3(ii) regarding ongoing litigation between EIH Limited, the Holding Company and the Government of Himachal Pradesh. The said notes describe the uncertainty related to the outcome of the above legal matters and accordingly the impact, if any, on the financial statements has not been ascertained.

Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Independent Auditor's Report (Contd.)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures,

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “ANNEXURE A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, the provisions of Section 197 of the Act relating to remuneration to directors are not applicable.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36, 3(ii) and 17 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 31(B) to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 43 to the financial statements.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order/CARO 2016”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “ANNEXURE B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Alka Chadha
Partner

Place: Gurugram
Date: April 23, 2021 (Membership No. 93474)
(UDIN 21093474AAAAAQ9432)

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **MASHOBRA RESORT LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership No. 93474)
(UDIN 21093474AAAAAQ9432)

Place: Gurugram
Date: April 23, 2021

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its property, plant and equipment:
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b. The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals and no material discrepancies were noticed on such verification.
 - c. Based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements.
- (ii) The inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and securities and
- hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
- a. Other than for certain delay in deposit of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, the Company has generally been regular in depositing undisputed statutory dues, including Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c. Details of dues of Income-tax and Luxury Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount unpaid (₹ in million)
Income Tax Act, 1961	Income-tax	Commissioner (Appeal)	2016-17	0.18
The Himachal Pradesh Tax on Luxuries (In Hotels and Lodging Houses) Rules, 1979	Luxury Tax	Deputy Excise & Taxation Commissioner-Cum-Assessing Authority	2013-2014 to 2015-2016	10.12

There are no dues of Service tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on March 31, 2021 on account of any disputes.

- (viii) The Company has not defaulted in the repayment of loans or borrowings to Government. The Company has not taken any loans or borrowings from banks and financial institutions or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/ provided any managerial remuneration during the year in accordance with the provisions of Section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of CARO 2016 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership No. 93474)

(UDIN 21093474AAAAAQ9432)

Place: Gurugram

Date: April 23, 2021

Balance Sheet

As at March 31, 2021

	Notes	As at March 31, 2021	₹ Million As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	485.38	498.32
(b) Right-of-use asset	4	0.25	0.45
(c) Capital work-in-progress		2.81	2.24
(d) Intangible assets	5	0.23	0.37
(e) Financial assets			
Other financial assets	6(i)	1.22	1.22
(f) Deferred tax assets (net)	7	-	16.46
(g) Tax assets (net)	8	10.89	2.47
(h) Other non-current assets	9	1.60	3.19
Total non-current assets		502.38	524.72
Current assets			
(a) Inventories	10	25.02	26.76
(b) Financial assets			
(i) Trade receivables	11	21.58	26.21
(ii) Cash and cash equivalents	12	35.98	8.76
(iii) Other bank balances	13	1,579.17	1,424.98
(iv) Other financial assets	6(ii)	2.99	17.86
(c) Current tax assets (net)			
(d) Other current assets	14	8.74	14.06
Total current assets		1,673.48	1,518.63
Total Assets		2,175.86	2,043.35
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	330.00	330.00
(b) Other equity	16	417.32	288.42
Total Equity		747.32	618.42
Advance towards equity	17	1,361.93	1,361.93
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	5.00	5.00
(ii) Lease liabilities	38	0.11	0.31
(b) Provisions	19	3.02	4.03
(c) Deferred tax liabilities (net)	7	6.35	-
Total non-current liabilities		14.48	9.34
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	33	0.35	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	34	30.01	44.18
(ii) Lease liabilities	38	0.20	0.21
(iii) Other financial liabilities	20	0.09	0.10
(b) Provisions	19	0.01	0.02
(c) Other current liabilities	21	21.47	9.09
Total current liabilities		52.13	53.66
Total Equity and Liabilities		2,175.86	2,043.35

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership Number 93474)

Place: Gurugram
Date: April 23, 2021

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN: 00052106)

T.K. Sibal
Director
(DIN: 00038992)
Place: New Delhi
Date: April 23, 2021

S.N. Sridhar
Company Secretary and Director
(DIN : 03613123)

Kallol Kundu
Chief Financial Officer

Statement of Profit and Loss

for the Year ended March 31, 2021

	Notes	Year Ended March 31, 2021	₹ Million Year Ended March 31, 2020
Income			
Revenue from operations	22	299.50	409.47
Other income	23	91.25	91.52
Total Income		390.75	500.99
Expenses			
Consumption of provisions, wines & others	24	19.78	28.62
Employee benefits expense	25	57.01	73.24
Finance costs	26	0.99	0.98
Depreciation and amortisation expense	27	14.20	12.42
Other expenses	28	116.50	150.58
Total Expenses		208.48	265.84
Profit before tax		182.27	235.15
Tax Expense			
Income tax	29	53.19	68.97
Deferred tax	29	1.29	1.02
Profit for the year		127.79	165.16
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		1.57	(0.79)
Tax relating to this item		(0.46)	0.23
Total other comprehensive income/(loss) for the year, net of tax		1.11	(0.56)
Total comprehensive income for the year		128.90	164.60
Earnings per equity share (in ₹) - Face Value ₹ 10	40		
(1) Basic		3.87	5.00
(2) Diluted		3.87	5.00

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha
Partner
(Membership Number 93474)

Arjun Singh Oberoi
Managing Director
(DIN: 00052106)

S.N. Sridhar
Company Secretary and Director
(DIN : 03613123)

T.K. Sibal
Director
(DIN: 00038992)
Place: New Delhi
Date: April 23, 2021

Kallol Kundu
Chief Financial Officer

Place: Gurugram
Date: April 23, 2021

Statement of Cash Flows

for the Year ended March 31, 2021

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Cash flows from operating activities		
Profit before tax	182.27	235.15
Adjustments for		
Depreciation and amortisation expense	14.20	12.42
Loss on sale / discard of property, plant and equipment (net)	0.47	0.12
Interest income on financial assets carried at amortised cost	(90.71)	(88.62)
Provisions and liabilities no longer required, written back	(0.19)	(0.02)
Advances written off	0.14	-
Finance costs	0.99	0.98
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	4.63	4.22
(Increase)/decrease in inventories	1.74	(7.04)
Increase/(decrease) in trade payables	(13.69)	12.50
(Increase)/decrease in other financial assets	(0.03)	(0.06)
(Increase)/decrease in other non-current assets	2.33	(0.24)
(Increase)/decrease in other current assets	5.31	(5.75)
Increase/(decrease) in employee benefit obligations	0.53	0.43
Increase/(decrease) in other current liabilities	12.38	(2.75)
Cash generated from operations	120.37	161.34
Income taxes paid (net of refund)	(40.56)	(43.01)
Net cash inflow from operating activities	79.81	118.33
Cash flows from investing activities		
Payments for property, plant and equipment	(2.87)	(21.96)
Proceeds from sale of property, plant and equipment	0.08	0.01
Other bank balances - deposits placed	(154.19)	(182.91)
Interest received	105.59	84.86
Net cash outflow from investing activities	(51.39)	(120.00)
Cash flows from financing activities		
Repayment of lease liabilities	(0.21)	(0.18)
Interest paid	(0.99)	(0.98)
Net cash outflow from financing activities	(1.20)	(1.16)
Net increase/(decrease) in cash and cash equivalents	27.22	(2.83)
Cash and cash equivalents at the beginning of the year	8.76	11.59
Cash and cash equivalents at the end of the year	35.98	8.76

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha

Partner

(Membership Number 93474)

Arjun Singh Oberoi

Managing Director

(DIN: 00052106)

S.N. Sridhar

Company Secretary and Director

(DIN : 03613123)

T.K. Sibal

Director

(DIN: 00038992)

Kallol Kundu

Chief Financial Officer

Place: Gurugram

Date: April 23, 2021

Place: New Delhi

Date: April 23, 2021

Statement of changes in equity

for the Year ended March 31, 2021

A. Equity share capital

	₹ Million
Balance as at April 1, 2019	330.00
Changes in equity share capital during the year	-
Balance as at March 31, 2020	330.00
Changes in equity share capital during the year	-
Balance as at March 31, 2021	330.00

B. Other equity

	Retained earnings (Surplus/ (Deficit))
Balance as at April 1, 2019	123.82
Profit for the year	165.16
Other comprehensive income/(loss) for the year, net of tax	(0.56)
Total comprehensive income for the year	164.60
Balance as at March 31, 2020	288.42
Balance as at April 1, 2020	288.42
Profit for the year	127.79
Other comprehensive income/(loss) for the year, net of tax	1.11
Total comprehensive income for the year	128.90
Balance as at March 31, 2021	417.32

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership Number 93474)

Place: Gurugram
Date: April 23, 2021

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN: 00052106)

T.K. Sibal
Director
(DIN: 00038992)

Place: New Delhi
Date: April 23, 2021

S.N. Sridhar
Company Secretary and Director
(DIN : 03613123)

Kallol Kundu
Chief Financial Officer

Notes to the Financial Statements

General Information

MASHOBRA RESORT LIMITED is a Company limited by shares, incorporated consequent upon a Joint Venture Agreement between EIH Limited and Government of Himachal Pradesh and domiciled in India **having its registered office at Wildflower Hall, Chharabra, Shimla**. The Company is primarily engaged in owning premium luxury hotel under the luxury 'Oberoi' brand.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements of Mashobra Resort Limited. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation

- (i) Compliance with Indian Accounting Standard (Ind AS)

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India, as a going concern on accrual basis.

- (ii) Historical cost convention

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

- defined benefit plans – plan assets measured at fair value
- customer loyalty programs

- (iii) Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amount of revenue and expenses during the reported year. Actual results could differ from those estimates. Any revision of such estimates is recognised in the period the same is determined.

b) Revenue recognition

- (i) Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied contracts that were not completed as of April 1, 2018. Accordingly, the comparative information in the statement of profit and loss has not been restated. The impact of

adoption of the standard on financial statements of the Company is insignificant.

- (ii) Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (iii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes, Goods and Service Taxes and amounts collected on behalf of third parties.
- (iv) Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.

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

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable or when collectability is certain.
- Others: Revenue from Shop License Fee included under "Other Services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty is recognised when loyalty points are redeemed by the customers or on its expiry.

c) Foreign currency translation

- (i) Presentation Currency

The Financial Statements are presented in INR which is the Functional Currency of the Company.

- (ii) Transactions and balances

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

Notes to the Financial Statements

Sales made in any currency other than the functional currency of the Company are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realisation or translation at the year end.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year. Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year.

d) Income tax

Current income tax is recognised based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments.

e) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this

case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognised as deferred tax asset in the Balance Sheet.

f) Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, comparative information as at and for the year ended March 31, 2019 has not been restated. The impact of adoption of the standard on financial statements of the Company has been disclosed in the notes to accounts.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

The Company as a lessee:

The Company’s lease asset classes primarily consist of leases for vehicle leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes to the Financial Statements

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and estimated restoration costs of the underlying asset where applicable. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

To determine the incremental borrowing rate, the Company:

- Where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

These lease payments would comprise:

- Fixed payments (including in substance fixed payments) less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and
- Payment of penalties for terminating the lease when the Company is reasonably certain to exercise the exit option at the lease commencement date.

The Company applies the practical expedient by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

g) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

h) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash in

Notes to the Financial Statements

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

i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) Inventories

Inventories are valued at cost which is based on Cumulative Weighted Average method or net realisable value, whichever is lower. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit or Loss.

k) Investments and other financial assets

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

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

Debt instruments

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

Notes to the Financial Statements

ownership of the financial asset, the financial asset is not derecognised.

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

(v) *Income recognition*

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

l) **Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

m) **Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

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

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

Transition to Ind AS

Effective 1 April, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with 1 April, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, and leased vehicles and equipment is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Leased vehicles are depreciated over the lives of the respective asset or over the remaining lease period of the respective asset whichever is shorter.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which is 57 years with effect from 31st March 2018 and is higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

n) **Intangible assets**

Intangible Assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

Transition to Ind AS

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

Notes to the Financial Statements

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

q) Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are

presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations -

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the balance sheet.

Leave encashment on termination of service -

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provident Fund -

The Company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

s) Dividends

Liability is created for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity.

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit for the year attributable to equity shareholders of the Company

Notes to the Financial Statements

- by the weighted average number of equity shares outstanding during the financial year,
- (ii) Diluted earnings per share

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

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

u) Government grants / Incentives

Government grants / incentives that the Company is entitled to on fulfillment of certain conditions, but are available to the Company only on completion of some other conditions, are recognised as income at fair value on completion of such other conditions.

Grants / incentives that the Company is entitled to unconditionally on fulfillment of certain conditions, such grants are recognised at fair value as income when there is reasonable assurance that the grant will be received.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million with two decimals as per the requirement of Schedule III, unless otherwise stated.

2

Recent pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April I, 2021.

3

Significant estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors,

including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(i) Useful life of the Hotel Building

The Company has adopted useful life of property, plant and equipment as stipulated by Schedule II to the Companies Act, 2013 except for the hotel building for computing depreciation. In the case of the hotel building of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificate of the technical expert as on March 31, 2021 the balance useful life of the hotel building of the Company was 54 years. The carrying amount of the hotel building is being depreciated over its residual life. Based on management evaluation performed at each reporting period, there has been no change in the earlier assessed useful life.

(ii) Significant and material order

The Company was incorporated consequent upon a Joint Venture Agreement between EIH Limited and the Government of Himachal Pradesh. Disputes inter se, between the two Joint Venture Partners as well as between the Company and the Government of Himachal Pradesh were referred by the High Court of Himachal Pradesh by an Order dated December 17, 2003 to an Arbitral Tribunal consisting of a single arbitrator. The Arbitrator's Award dated July 23, 2005 was challenged both by the Company and EIH Limited, amongst others, before the High Court of Himachal Pradesh. The Company continues to keep 30% of the Room Revenue in respect of the balance 57 rooms out of 85 rooms, being operated as per the directions of the High Court, in fixed deposits and current account with a Nationalised Bank, in accordance with the December 17, 2003 Order referred to above and such deposits have been disclosed in these financial statements under "Other bank balances" (Refer Note 13).

The High Court, by virtue of an order dated February 25, 2016 which was made available to the Company in May 2016, decided not to interfere with the order of the Arbitrator. The Company and EIH Limited, amongst others, have preferred an appeal before the Division Bench of the High Court of Himachal Pradesh. By an Order dated June 27, 2016, the Division Bench has stayed the Single Bench Judge Order dated February 25, 2016 and directed the parties to maintain status quo till the matter is finally heard and disposed off. The matter is pending before the Division Bench of the High Court of Himachal Pradesh for adjudication.

Notes to the Financial Statements

4 (i) Contd.

Property, plant and equipment

	Gross carrying amount				Accumulated Depreciation				₹ Million				
	Balance as at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 38)	Adjusted balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	As at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 38)		Adjusted balance as at April 1, 2019	For the year	Less: Sales/ Adjustments	As at March 31, 2020
Freehold land	74.41	-	74.41	-	-	74.41	-	-	-	-	-	-	74.41
Buildings	381.17	-	381.17	1.39	0.13	382.43	23.64	-	23.64	5.96	0.04	29.56	352.87
Plant and equipment	83.86	-	83.86	7.60	0.21	91.25	37.01	-	37.01	3.83	0.17	40.67	50.58
Furniture and fittings	5.43	-	5.43	1.73	-	7.16	1.89	-	1.89	0.72	-	2.61	4.55
Vehicles	4.22	-	4.22	11.22	-	15.44	1.24	-	1.24	0.82	-	2.06	13.38
Office equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased vehicles	1.68	(1.68)	-	-	-	-	1.03	(1.03)	-	-	-	-	-
Computers	5.26	-	5.26	1.05	-	6.31	3.08	-	3.08	0.70	-	3.78	2.53
Total	556.03	(1.68)	554.35	22.99	0.34	577.00	67.89	(1.03)	66.86	12.03	0.21	78.68	498.32

	Gross carrying amount				Accumulated Depreciation				₹ Million				
	Balance as at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 38)	Adjusted balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	As at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 38)		Adjusted balance as at April 1, 2019	For the year	Less: Sales/ Adjustments	As at March 31, 2020
Vehicles	-	1.68	1.68	-	-	1.68	-	-	-	0.20	-	1.23	0.45

Notes to the Financial Statements

5 Intangible assets

	Gross carrying amount		Accumulated Depreciation		₹ Million	
	Balance as at April 1, 2020	Additions during the year	Balance as at March 31, 2021	For the year		As at March 31, 2021
Computer Software	0.97	-	0.97	0.14	0.74	0.23
Total	0.97	-	0.97	0.14	0.74	0.23

	Gross carrying amount		Accumulated Depreciation		₹ Million	
	Balance as at April 1, 2019	Additions during the year	Balance as at March 31, 2020	For the year		As at March 31, 2020
Computer Software	0.97	-	0.97	0.19	0.60	0.37
Total	0.97	-	0.97	0.19	0.60	0.37

Intangible Assets are amortised on straight line basis over a period of 3 to 5 years

Notes to the Financial Statements

6

Other financial assets

Other financial assets consist of the following

(i) Non-current financial assets

	As at March 31, 2021	As at March 31, 2020
Security deposits	1.22	1.22
Total other non-current financial assets	1.22	1.22

	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits	2.83	17.71
Security deposits	0.12	0.12
Other receivables	0.04	0.03
Total other current financial assets	2.99	17.86

7

Deferred tax assets/ (liabilities) (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets on account of:		
Accrued expenses deductible on payment	1.83	2.40
MAT credit entitlement	78.77	99.82
Other temporary differences	0.02	0.02
Total deferred tax assets (A)	80.62	102.24
Deferred tax liabilities on account of:		
Property, plant and equipment, right-of-use asset and intangible assets	86.97	85.78
Total deferred tax liabilities (B)	86.97	85.78
Deferred tax assets/(liabilities) (net) (A-B)	(6.35)	16.46

Movement in deferred tax assets

	Accrued expenses deductible on payment	MAT credit entitlement	Other temporary differences	Total
As at April 1, 2019	1.20	127.82	0.10	129.12
(Charged)/Credited:				
- to profit and loss	0.97	(28.00)	(0.08)	(27.11)
- to other comprehensive income	0.23	-	-	0.23
As at March 31, 2020	2.40	99.82	0.02	102.24
(Charged)/Credited:				
- to profit and loss	(0.11)	(21.05)	-	(21.16)
- to other comprehensive income	(0.46)	-	-	(0.46)
As at March 31, 2021	1.83	78.77	0.02	80.62

Movement in deferred tax liabilities

	Property, plant and equipment, right-of-use asset and intangible assets
As at April 1, 2019	82.70
(Charged)/Credited:	
- to profit and loss	3.08
As at March 31, 2020	85.78
(Charged)/Credited:	
- to profit and loss	1.19
As at March 31, 2021	86.97

Notes to the Financial Statements

8

Non-current tax assets (net)

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Opening balance	2.47	0.43
Less: Tax payable for the year	(53.19)	(68.97)
Add: MAT credit utilised	21.05	28.00
Add: Taxes paid	40.56	43.01
Total non-current tax assets (net)	10.89	2.47

9

Other non-current assets

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Capital advances	1.45	0.70
Prepaid expenses	0.15	0.11
Services exports incentive	-	2.38
Total other non-current assets	1.60	3.19

10

Inventories*

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Provisions, wines and others	9.67	9.84
Stores & Operating supplies	15.35	16.92
Total inventories	25.02	26.76

*Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' or net realisable value, whichever is lower.

The cost of inventories recognised as an expense during the year as consumption of provisions, wines and others was ₹ 19.78 million (for the year ended March 31, 2020: ₹ 28.62 million).

11

Trade receivables*

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Receivables from related parties	0.64	0.59
Receivable from other than related parties	20.94	25.62
Total trade receivables	21.58	26.21

*Read with note 30

12

Cash and cash equivalents

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- Current accounts	31.42	5.37
Cash in hand	0.36	0.34
Fixed deposits with maturity within three months	4.20	3.05
Total cash and cash equivalents	35.98	8.76

Notes to the Financial Statements

13

Other bank balances

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Current account *	0.02	0.02
Fixed deposits *	970.20	878.77
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date	608.95	546.19
Total other bank balances	1,579.17	1,424.98

* Maintained as per High Court order dated December 17, 2003
(Refer Note 3(ii))

14

Other current assets

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	1.10	1.89
Services exports incentive	2.72	5.88
Other advances	4.92	6.29
Total other current assets	8.74	14.06

15

Equity share capital

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
50,000,000 Equity Shares of ₹ 10 each (2020 - 50,000,000)	500.00	500.00
	500.00	500.00
ISSUED, SUBSCRIBED & FULLY PAID		
33,000,000 Equity Shares of ₹ 10 each (2020 - 33,000,000)	330.00	330.00
	330.00	330.00

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) ₹ Million
As at April 1, 2019	33,000,000	330.00
Change during the year	-	-
As at March 31, 2020	33,000,000	330.00
Change during the year	-	-
As at March 31, 2021	33,000,000	330.00

(ii) Rights and preferences attached to equity shares :

The Company has one class of equity shares having a par value of ₹ 10 per share. These shares ranks pari passu in all respects including voting rights and entitlement to dividend.

(iii) Details of shareholders holding more than 5 percent shares in the Company:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	%holding
EIH Limited	25,999,995	78.79%	25,999,995	78.79%
Government of Himachal Pradesh	7,000,000	21.21%	7,000,000	21.21%

Notes to the Financial Statements

(iv) Shares of the Company held by holding Company:

	As at March 31, 2021	As at March 31, 2020
	Number of Shares	
EIH Limited	25,999,995	25,999,995

16

Other equity

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Reserves and Surplus		
Retained earnings*	417.32	288.42
Total other equity	417.32	288.42
*Retained earnings		
Opening Balance	288.42	123.82
Add: Profit during the year as per Statement of Profit and Loss	127.79	165.16
Less: Other comprehensive income recognised directly in retained earnings	(1.11)	0.56
- Remeasurements of post-employment benefit obligation, net of tax		
Closing Balance	417.32	288.42

17

Advance towards equity

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Advance towards equity	1,361.93	1,361.93
	1,361.93	1,361.93

Amounts received from EIH Limited, the holding company, amounting to ₹ 1,361.93 Million (2020 - ₹ 1,361.93 Million) have been shown as "Advance towards equity" as the Company intends to issue shares against the said advances without allotment, pending settlement of inter se legal issues between Government of Himachal Pradesh and EIH Limited in relation to the Company and the stay orders issued by the High Court of Himachal Pradesh at Shimla in this regard. In view of the above, the same has not been disclosed as Non- Current Liability but as a separate line item below Equity in the Balance Sheet. Refer Note 3(ii).

18

Non-current borrowings - at amortised cost

				₹ Million	
	Maturity Date	Terms of repayments	Coupon/ Interest rate per annum	As at March 31,2021	As at March 31,2020
Unsecured					
Government of Himachal Pradesh	Refer note (i) below	Half-Yearly	16.50%	5.00	5.00
Total				5.00	5.00

(i) Unsecured borrowings

Unsecured borrowings from Government of Himachal Pradesh is repayable at the option of the Company and the Company does not expect repayment in the next one year period.

19

Provisions

							₹ Million
		As at March 31, 2021			As at March 31, 2020		
		Current	Non-current	Total	Current	Non-current	Total
Employee benefit obligations							
Leave Encashment - Unfunded							
Present value of obligation		0.01	2.31	2.32	0.02	3.30	3.32
Gratuity - Unfunded							
Present value of obligation		-	0.71	0.71	-	0.73	0.73
Total employee benefit obligations		0.01	3.02	3.03	0.02	4.03	4.05

(i) Defined benefit plans

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on

Notes to the Financial Statements

retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan and provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method.

b) Leave Encashment

As per the policy of the Company, obligations on account of encashment of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Projected Unit Credit Method. It is an unfunded plan.

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is ₹ 2.37 million (for the year ended March 31, 2020: ₹ 2.89 million).

(iii) Movement of defined benefit obligation and fair value of plan assets:

The amount is recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	₹ Million			
	Present value of obligation	Gratuity Fair value of plan assets	Net amount	Leave Encashment Present value of obligation
April 1, 2019	0.49	-	0.49	2.34
Current service cost	0.19	-	0.19	0.43
Interest expense/(Income)	0.03	-	0.03	0.17
Total amount recognised in Statement of Profit and Loss	0.22	-	0.22	0.60
Remeasurements				
Experience (gains)/losses	0.07	-	0.07	0.06
(Gain)/loss from change in financial assumptions	0.15	-	0.15	0.51
Total amount recognised in Other Comprehensive Income	0.22	-	0.22	0.57
Employer contributions	-	-	-	-
Benefit payments	(0.20)	-	(0.20)	(0.19)
March 31, 2020	0.73	-	0.73	3.32
April 1, 2020	0.73	-	0.73	3.32
Current service cost	0.15	-	0.15	0.22
Interest expense/(income)	0.05	-	0.05	0.21
Total amount recognised in Statement of Profit and Loss	0.20	-	0.20	0.43
Remeasurements				
Experience (gains)/losses	(0.17)	-	(0.17)	(1.25)
(Gain)/loss from change in financial assumptions	(0.05)	-	(0.05)	(0.10)
Total amount recognised in Other Comprehensive Income	(0.22)	-	(0.22)	(1.35)
Employer contributions	-	-	-	-
Benefit payments	-	-	-	(0.08)
March 31, 2021	0.71	-	0.71	2.32

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	₹ Million	
	March 31, 2021	March 31, 2020
Discount rate	6.95%	6.66%
Salary growth rate	5.00%	5.00%
Mortality		
	March 31, 2021	March 31, 2020
	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Withdrawal rate - up to 40 years	4.2	4.2
Withdrawal rate - 40 - 54 years	1.8	1.8
Withdrawal rate - 55 - 57 years	2.2	2.2

Notes to the Financial Statements

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation				₹ Million
			Increase by 1%		Decrease by 1%		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Gratuity							
Discount rate	1%	1%	(0.14)	(0.15)	0.18	0.19	
Salary growth rate	1%	1%	0.18	0.19	(0.14)	(0.15)	
Leave encashment							
Discount rate	1%	1%	(0.32)	(0.44)	0.39	0.53	
Salary growth rate	1%	1%	0.39	0.53	(0.33)	(0.45)	

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 i.e., projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

(vi) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Liquidity Risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the Company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (Or it could be due to insufficient assets/cash.)

Future Salary Increase Risk: The cost is sensitive to the assumed future salary escalation rates for all final salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation of actual cost, the value of the liability will be higher than that estimated.

Demographic Risk: In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the cost.

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 24.22 years (2020 - 24.97 years) and 16.97 years (2020- 17.91 years) for Gratuity and Leave Encashment respectively.

The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

						₹ Million
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 to 10 years	More than 10 years	Total
March 31, 2021						
Gratuity	-	-	0.02	0.04	3.78	3.84
Leave encashment	0.01	0.01	0.05	0.13	7.30	7.50
Total	0.01	0.01	0.07	0.17	11.08	11.34
March 31, 2020						
Gratuity	-	-	0.02	0.04	3.84	3.90
Leave encashment	0.02	0.02	0.07	0.17	11.05	11.33
Total	0.02	0.02	0.09	0.21	14.89	15.23

20

Other current financial liabilities

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Liability for capital expenditure	0.09	0.10
Total current financial liabilities	0.09	0.10

Notes to the Financial Statements

21

Other current liabilities

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Advance from customers	19.03	5.22
Statutory dues	2.44	3.87
Total other current liabilities	21.47	9.09

22

Revenue from operations

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Rooms	213.01	279.66
Food and beverage	71.10	103.65
Other services	15.39	26.16
Total revenue from operations	299.50	409.47

23

Other income

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income on financials assets carried at amortised cost :		
Bank deposits	90.71	88.62
Income on account of services exports incentive	-	2.38
Other gains/(losses) :		
Net foreign exchange gain	0.04	0.17
Provisions and liabilities no longer required, written back	0.19	0.02
Miscellaneous income	0.31	0.33
Total other income	91.25	91.52

24

Consumption of provisions, wines & others

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening stock	9.84	6.55
Add : Purchases	19.61	31.91
	29.45	38.46
Less : Closing stock	9.67	9.84
Total Consumption of provisions, wines & others	19.78	28.62

25

Employee benefits expense

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries and wages	44.29	55.57
Contribution to provident fund and other funds (Refer note 19)	2.37	2.89
Gratuity (Refer note 19)	0.20	0.22
Staff welfare expenses	10.15	14.56
Total employee benefits expense	57.01	73.24

Notes to the Financial Statements

26

Finance costs

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest expense	0.82	0.82
Interest on lease liabilities (Refer note 38)	0.17	0.16
Total finance costs	0.99	0.98

27

Depreciation and amortisation expense

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation of property, plant and equipment	13.86	12.03
Depreciation of right-of-use asset	0.20	0.20
Amortisation of intangible assets	0.14	0.19
Total depreciation and amortisation expense	14.20	12.42

28

Other expenses

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Power and fuel	19.80	30.75
Rent (Refer note 38)	2.37	1.96
Repairs and maintenance		
- Buildings	8.18	7.99
- Plant and equipment	8.12	8.72
- Others	0.71	1.77
Insurance	2.23	1.44
Rates and taxes	3.26	1.59
Expenses on apartment and board	9.16	8.46
Advertisement, publicity and other promotional expenses	3.45	7.44
Commission to travel agents and others	11.77	24.24
Passage and travelling	5.72	8.22
Postage, telephone, etc.	1.26	1.10
Legal and professional charges	4.58	4.43
Linen, uniform washing and laundry expenses	0.66	0.77
Renewals and replacements	3.77	5.15
Musical, banquet and kitchen expenses	0.49	0.71
Auditors' remuneration (Refer Note 28(a))	0.12	0.15
CSR expenses (Refer note 28(b))	4.89	5.05
Expenses on contracts for service	15.22	17.25
Loss on sale / discard of property, plant and equipment (net)	0.47	0.12
Water charges	4.74	7.42
Director's sitting fees	1.16	1.60
Printing and stationery	0.97	1.16
Subscriptions	0.35	1.08
Donation	-	0.02
Advances written off	0.14	-
Miscellaneous expenses	2.91	1.99
Total other expenses	116.50	150.58
(a) Details of Auditors' remuneration		
As auditor:		
- Audit fee	0.09	0.09
- Tax Audit fee	0.01	0.01
- Reimbursement of expenses	0.02	0.05
	0.12	0.15

Notes to the Financial Statements

28

Other expenses (contd.)

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(b) Details of CSR expenditure		
(i) Acquisition of asset		
Laundry machine for the school for the hearing and visually impaired at Dhalli, Shimla	-	0.56
(i) On purposes other than above		
Repair and maintenance work at school for the hearing and visually impaired at Dhalli, Shimla	-	1.79
Repair and maintenance work and supplies at Model Children Home, Mashobra	2.53	-
Skill Development (Vocational Training) at school for hearing and visually impaired at Dhalli, Shimla	2.16	1.84
Contribution to PM CARES FUND	0.20	-
Expenses for Swachh Bharat Abhiyan	-	0.86
Total CSR expenditure	4.89	5.05
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	4.89	5.05

29

Tax Expense

	₹ Million	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Income tax		
Tax on profits for the year	53.19	68.97
Total income tax	53.19	68.97
(b) Deferred tax		
Decrease (increase) in deferred tax assets	21.61	26.88
(Decrease) increase in deferred tax liabilities	1.19	1.91
	22.80	28.79
Less: MAT credit utilised	(21.05)	(28.00)
Add / (Less): Recognised in OCI	(0.46)	0.23
Total deferred tax expense/(benefit)	1.29	1.02
Total tax expense	54.48	69.99
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before tax expense	182.27	235.15
Tax at the rate of 29.12% (F.Y. 2019-20 – 29.12%)	53.08	68.48
Tax effect of amounts which are not deductible in calculating taxable income:		
CSR expenses	1.42	1.47
Donation	-	0.01
Income tax	-	0.01
Adjustments related to property, plant and equipment:		
Adjustment on account of depreciable and leased assets	(0.02)	0.02
Tax expense as per Income Tax	54.48	69.99

Notes:

- (i) The Company has elected not to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in view of the eligible MAT credit available for set-off.
- (ii) Effective April 1, 2019, the Company had adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application and effect on adoption of this amendment in the previous year was Nil.

Notes to the Financial Statements

30

FAIR VALUE MEASUREMENTS

Financial instruments by category

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
	Amortised cost	Amortised cost
Financial assets		
Trade receivables	21.58	26.21
Cash and cash equivalents		8.76
Other bank balances	1,579.17	1,424.98
Other receivables	2.87	17.74
Security deposits	1.34	1.34
Total financial assets	1,604.96	1,479.03
Financial liabilities		
Borrowings	5.00	5.00
Lease liabilities	0.31	0.52
Trade payables	30.36	44.24
Others	0.09	0.10
Total financial liabilities	35.76	49.86

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. 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.

(ii) Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

31

Financial risk management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

The Company's risk management is carried out by a senior management team under policies approved by the Board of Directors. The senior management team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating unit. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

Notes to the Financial Statements

(A) Market risk

(i) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the Management to decide on the requirement of hedging. The position of foreign currency exposure to the Company as at the end of the year expressed in INR Million are as follows :

Currency	₹ Million	
	Receivables	Payables
March 31, 2021		
Euro	-	-
US Dollar (USD)	-	0.29
Net Exposure to foreign currency risk	-	0.29
March 31, 2020		
Euro	-	0.08
US Dollar (USD)	-	2.44
Net Exposure to foreign currency risk	-	2.52

Sensitivity

If INR is depreciated or appreciated by 5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the Company are given below:

	Impact on profit	
	March 31, 2021	March 31, 2020
EURO sensitivity		
INR/EURO Increases by 5% (March 31, 2020 - 5%)	-	.*
INR/EURO Decreases by 5% (March 31, 2020 - 5%)	-	.*
USD sensitivity		
INR/USD Increases by 5% (March 31, 2020 - 5%)	(0.01)	(0.12)
INR/USD Decreases by 5% (March 31, 2020 - 5%)	0.01	0.12

*Amount is less than ₹ 0.01 million

(ii) Interest rate risk

The status of borrowings in terms of fixed rate and floating rate are as follows:

	₹ Million	
	March 31, 2021	March 31, 2020
Variable rate borrowings	-	-
Fixed rate borrowings	5.00	5.00
Total borrowings	5.00	5.00

As at the end of the reporting period, the Company does not have any variable rate borrowings outstanding, therefore, Company is not exposed to any interest rate risk.

(iii) Price risk

The Company does not have investment in market quoted securities. Therefore Company is not exposed to market price risk.

(B) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

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

The Company does not have any derivative transaction and therefore is not exposed to any credit risk on account of derivatives.

Notes to the Financial Statements

For trade receivables, the Company has decided to provide loss allowance for lifetime credit loss on the basis of expected credit loss model. However, as per the Company's past collection history, credit risks (default risk and delay risk) are insignificant. As per the past practice, the Company's trade receivables are generally collected within the acceptable credit period. In some instances, there is a practice of delay in receipt of payment, however the quantum of same is insignificant in comparison to the total trade receivables. Therefore, no loss allowance has been provided by the Company on trade receivables under Ind AS.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. However, the Company has a past practice of maintaining sufficient liquidity (Cash and bank balances) to meet its obligation.

Further, the Company does not have significant debt liability outstanding. Therefore, the Company does not maintain any committed credit facilities or borrowing to mitigate liquidity risk as the same is insignificant as per the Company's current capital structure.

Maturities of financial liabilities

The table below analyses the Company's non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

	Not later than 1 year	Between 1 and 5 years	Later than 5 years	₹ Million Total
Non-derivatives				
March 31, 2021				
Borrowings*	0.83	3.30	5.00	9.13
Lease liabilities	0.20	0.11	-	0.31
Liability for capital expenditure	0.09	-	-	0.09
Trade payables	30.36	-	-	30.36
Total non-derivative liabilities	31.48	3.41	5.00	39.89
March 31, 2020				
Borrowings*	0.83	3.30	5.00	9.13
Obligations under finance lease	0.18	0.52	-	0.70
Liability for capital expenditure	0.10	-	-	0.10
Trade payables	44.24	-	-	44.24
Total non-derivative liabilities	45.35	3.82	5.00	54.17

* The borrowing is repayable at the option of the Company. The management does not expect repayment in foreseeable future. Accordingly, interest component payable after 5 years has not been considered.

32

Capital Management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages the share capital issued and subscribed alongwith shareholder's fund appearing in the financial statement as capital of the Company.

The Company does not have significant borrowings outstanding. Further, borrowing of ₹ 5 million (2020 - ₹ 5 million) appearing in the books of account of the Company is a loan from Government of Himachal Pradesh. There is no significant covenants to the loan. The loan is repayable at the option of the Company.

Notes to the Financial Statements

33

Trade Payables to Micro and Small Enterprises

	As at March 31, 2021	₹ Million As at March 31, 2020
(i) Principal amount remaining unpaid at the end of the year	0.35	0.06
(ii) Interest due thereon remaining unpaid at the end of the year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the year*	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	Nil	Nil
(vii) Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	Nil	Nil
*Amount is less than ₹ 0.01 million		

34

Trade Payables To Other Than Micro And Small Enterprises

	As at March 31, 2021	₹ Million As at March 31, 2020
Trade payables to related parties	4.48	5.72
Trade payables - others	25.53	38.46
Total	30.01	44.18

35(a)

Related Party Disclosures

List of Related Parties

(i) Key Management Personnel of the Company and its Parent Company

Mr. Brij Kumar Agarwal (w.e.f 07.01.19 upto 13.09.19) - Chairman

Dr. Shrikant Baldi (w.e.f 15.10.19 upto 21.01.20) - Chairman

Mr. Anil Kumar Khachi (w.e.f 24.07.18 upto 26.08.19) (w.e.f 30.12.19 upto 20.01.20) Director, (w.e.f. 21.01.20) - Chairman

Mr. Ram Subhag Singh (w.e.f 24.07.18 upto 13.09.19) - Director

Mr. Ram Dass Dhiman (w.e.f. 21.01.20 upto 11.08.20) - Director

Mr. Prabodh Saxena (w.e.f. 15.10.19 upto 30.12.19) (w.e.f. 21.01.20)- Director

Mr. Yunus (w.e.f. 15.10.19 upto 21.01.20) - Director

Mr. Devesh Kumar (w.e.f. 11.08.20) - Director

Mr. Vikramjit Singh Oberoi - Director

Mr. S. N. Sridhar - Company Secretary and Director

Mr. T. K. Sibal - Director

Mr. Arjun Singh Oberoi - Managing Director

Mr. Viresh S. Mathur - Independent Director (upto 22.01.20)

Mr. Shashank Bhagat - Independent Director (upto 22.01.20)

Mr. Kallol Kundu - Chief Financial Officer

Mr. P. R. S. Oberoi - Chairman of the Parent Company

Mr. S. S. Mukherji - Vice Chairman of the Parent Company

Notes to the Financial Statements

(ii) Parent Company

EIH Limited

(iii) Fellow Subsidiaries

Mumtaz Hotels Limited

Oberoi Kerala Hotels & Resorts Limited

EIH Flight Services Ltd

EIH International Ltd.

EIH Holdings Ltd.

EIH Investments N.V. (Liquidated during 2020-21)

EIH Management Services B.V. (Liquidated during 2019-20)

PT Widja Putra Karya

PT Waka Oberoi Indonesia

PT Astina Graha Ubud

(iv) Associates / Joint Ventures of Parent Company

Associates of Parent Company:

EIH Associated Hotels Limited

La Roseraie De L'atlas

Usmart Education Limited

Joint Ventures of Parent Company:

Mercury Car Rentals Private Limited

Oberoi Mauritius Ltd. (including its subsidiary, Island Resort Limited)

(v) Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year

Oberoi Hotels Private Limited

(vi) Joint Venture Partner

Himachal Pradesh Government

Notes to the Financial Statements

35 (b)

Transactions with Related Parties for the year ended March 31, 2021

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year		Key Management Personnel	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
PURCHASES										
Purchase of goods and services										
EIH Limited	32.32	37.92	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.16	0.06	-	-	-	-
Mumtaz Hotels Limited	-	-	-	0.16	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	2.86	1.34	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	-	-	-	-	-
Total	32.32	37.92	-	0.16	3.02	1.40	-	0.01	-	-
EXPENSES										
Directors' sitting fees										
Mr. Arjun Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.12
Mr. Vikramjit Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.28
Mr. T.K. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr. S.N. Sridhar	-	-	-	-	-	-	-	-	0.16	0.12
Mr. Viresh S.Mathur	-	-	-	-	-	-	-	-	-	0.16
Mr. Shashank Bhagat	-	-	-	-	-	-	-	-	-	0.24
Total	-	-	-	-	-	-	-	-	0.72	1.08
SALES										
Sale of goods and services										
EIH Limited	0.23	0.36	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.07	0.50	-	-	-	-
Mumtaz Hotels Limited	-	-	-	0.08	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.02	0.01	-	-
Mercury Travels Limited	-	-	-	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	0.56	-	-	-	-
Total	0.23	0.36	-	0.08	0.07	1.06	0.02	0.01	-	-

₹ Million

Notes to the Financial Statements

35 (b)

Transactions with Related Parties for the year ended March 31, 2021

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures / Subsidiary of Joint Venture of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year			₹ Million	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
INCOME											
License agreement											
Mercury Car Rentals Private Limited	-	-	-	-	-	0.21	-	-	-	-	-
Total	-	-	-	-	-	0.21	-	-	-	-	-
PAYMENTS											
Refund of collections to related party											
EIH Limited	-	-	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	-	0.37	-	-	-	-	-
Mumtaz Hotels Limited	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	0.37	-	-	-	-	-
Expenses reimbursed to related party											
EIH Limited	1.26 *	0.66	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	1.01	3.28	-	-	-	-	-
Mumtaz Hotels Limited	-	-	-	0.08	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-	-
Total	1.26 *	0.66	-	0.08	1.01	3.28	-	0.42	0.42	-	-
RECEIPTS											
Recovery of collections by related party											
EIH Limited	-	0.73	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	-	0.75	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	0.42	-	-
Total	-	0.73	-	-	-	0.75	-	0.42	0.42	-	-
Expenses reimbursed by related party											
EIH Limited	0.24	0.84	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.11	2.34	-	-	-	-	-
Mumtaz Hotels Limited	-	-	-	0.01	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	0.01	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	-	-	-	-	-	-
Total	0.24	0.84	-	0.01	0.11	2.34	-	0.01	0.01	-	-

* includes ₹ 0.20 Million towards CSR contribution arranged by the parent company on behalf of the Company to PM CARES FUND.

Notes to the Financial Statements

35 (c)

The details of amounts due to or due from related parties as at March 31, 2021 and March 31, 2020 are as follows:

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year				Key Management Personnel	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
PAYABLES												
For goods and services												
EIH Limited	3.76	4.52	-	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.72	0.33	-	-	-	-	-	-
Mumtaz Hotels Limited	-	-	-	0.08	-	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	0.79	-	-	-	-	-	-
Total	3.76	4.52	-	0.08	0.72	1.12	-	-	-	-	-	-
Advance towards equity												
EIH Limited	1,361.93	1,361.93	-	-	-	-	-	-	-	-	-	-
Total	1,361.93	1,361.93	-	-	-	-	-	-	-	-	-	-
RECEIVABLES												
For goods and services												
EIH Limited	0.39	0.39	-	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.21	0.20	-	-	-	-	-	-
Mumtaz Hotels Limited	-	-	-	-	-	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.04	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.39	0.39	-	-	0.21	0.20	0.04	0.04	-	-	-	-

₹ Million

Notes to the Financial Statements

36

The Company had contingent liabilities at March 31, 2021 in respect of:

Claims against the Company pending appellate / judicial decisions not acknowledged as debts:

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
i. Luxury Tax	10.12	10.12

The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the Company

37

Commitments

	₹ Million	
	As at March 31, 2021	As at March 31, 2020
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment (Net of capital advances)	0.26	1.24

38

Leases

Effective April 1, 2019, the Company had adopted Ind AS 116 - "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

On transition, the adoption of the new standard resulted in reclassification of ₹ 0.65 million from property, plant and equipment to right-of-use asset, reclassification of ₹ 0.18 million from other current financial liabilities to lease liabilities – current and reclassification of ₹ 0.52 million from non-current borrowings to lease liabilities – non-current. There had been no impact on the retained earnings due to application of the standard.

The following is the summary of practical expedients elected on initial application:

1. Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at April 1, 2019.
2. Applied the exemption not to recognise right-of-use asset and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

	₹ Million
Lease liabilities recognised on adoption of Ind AS 116 - Leases as at April 1, 2019	0.70
Of which were:	
Current lease liabilities	0.18
Non-current lease liabilities	0.52

Amount recognised in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases:

	₹ Million	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge for the right-of-use assets (vehicle leases)	0.20	0.20
Interest expense (included in Finance costs)	0.17	0.16
Expense relating to short-term leases (included in other expenses)	2.37	1.96
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	-	0.03

The total cash outflows for leases for the year ended March 31, 2021 was ₹ 0.21 million (March 31, 2020 - ₹ 0.18 million) which are presented as part of cash flows from financing activities.

Notes to the Financial Statements

Following are the changes in the carrying value of right-of-use asset:

	As at March 31, 2021	₹ Million As at March 31, 2020
Opening balance	0.45	-
*Reclassified on adoption of Ind AS 116	-	0.65
Additions	-	-
Depreciation	0.20	0.20
Closing balance	0.25	0.45

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under Ind AS 17- "Leases". The assets were presented in property, plant and equipment and the liabilities as part of the Company's borrowings and other financial liabilities.

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:

	As at March 31, 2021	₹ Million As at March 31, 2020
Particulars		
Current lease liabilities	0.20	0.21
Non-current lease liabilities	0.11	0.31
Total	0.31	0.52

The following is the movement in lease liabilities:

	Year ended March 31, 2021	₹ Million Year ended March 31, 2020
Particulars		
Opening Balance	0.52	-
Reclassified on adoption of Ind AS 116	-	0.70
Additions	-	-
Finance cost accrued during the period	0.17	0.16
Payment of lease liabilities	0.38	0.34
Closing Balance	0.31	0.52

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2021	₹ Million As at March 31, 2020
Particulars		
Less than one year	0.20	0.21
One to five years	0.11	0.31
More than five years	-	-
Total	0.31	0.52

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ii) Assets given on Operating Lease - Lessor

The Company gives shops located at hotel unit on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by service notice period.

39

Segment Reporting

There are no reportable segments other than hotel as per Ind AS 108 - "Operating Segment". The Company does not have transactions of more than 10% of total revenue with any single external customer.

Notes to the Financial Statements

40

Earnings per equity share

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Basic earnings per share	3.87	5.00
(b) Diluted earnings per share	3.87	5.00

(c) Reconciliations of earnings used in calculating earnings per equity share

	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	127.79	165.16
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	127.79	165.16

(d) Weighted average number of shares used as the denominator

	March 31, 2021 Number of shares	March 31, 2020 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	33,000,000	33,000,000
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	33,000,000	33,000,000

41

Reconciliation of Liabilities arising from financing activities

The table below details the changes in Company's borrowings arising from financing activities, including both cash and non-cash.

	As at March 31, 2020	Cash Flows	Non-cash Changes	As at March 31, 2021
Non-current borrowings	5.00	-	-	5.00
Lease liabilities	0.52	(0.21)	-	0.31
Current borrowings	-	-	-	-
Total	5.52	(0.21)	-	5.31

	As at March 31, 2019	Cash Flows	Non-cash Changes	As at March 31, 2021
Non-current borrowings (including current maturities of finance lease obligations)	5.70	-	(0.70)	5.00
Lease liabilities	-	(0.18)	0.70	0.52
Current borrowings	-	-	-	-
Total	5.70	(0.18)	-	5.52

42

Disclosure on Contract balances :

Trade receivable

A trade receivable is recorded when the Company has an unconditional right to receive payment. In respect of revenue from rooms, food and beverages and other services invoice is typically issued as the related performance obligations are satisfied as described in note 1(b) (Refer Note 11).

Notes to the Financial Statements

Advance from Customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 22).

Particulars	₹ Million	
	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	5.22	5.77
Recognised as revenue during the year	5.22	5.77
As at the end of the year	19.03	5.22

43

There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.

44

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020, draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code and Rules thereunder become effective.

45

Impact of COVID-19 on Business Operations

The World Health Organization declared the COVID-19 outbreak as a pandemic on March 11, 2020, leading to a series of measures by different countries across the world to contain the spread of the virus and India responded by imposing a lockdown from March 24, 2020. The hotel operations of the Company were mandated to remain non-operational upto the third week of September, 2020 and this had a significant impact on business at the Company's hotel.

46

The financial statements were approved for issue by the Board of Directors on April 23, 2021.

The Management does not foresee any stress on liquidity owing to the availability of liquid funds in the form of in cash and cash equivalents and other bank balances (other than earmarked bank balances) amounting to ₹ 644.93 Million as on March 31, 2021.

The Management has also assessed the potential impact of COVID-19 including, but not limited to, its assessment of liquidity and going concern assumption, on the carrying amounts of property, plant and equipment, right of use assets, intangible assets, inventories, trade receivables and other current and non-current assets appearing in the financial statements of the Company as on March 31, 2021, and has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets. The impact of COVID-19 on the business may be different from that estimated on the date of approval of these financial statements and the Management will continue to closely monitor any material changes to future economic conditions.

The Company has seen a revival in business after the opening of the Company's hotel towards the end of September, 2020 as a result of which the Company has recorded a higher revenue from hotel operations during the half year ended March 31, 2021 as compared to the corresponding period in the previous year.

For and on behalf of the Board of Directors

Arjun Singh Oberoi

Managing Director
(DIN No: 00052106)

S.N. Sridhar

Company Secretary and Director
(DIN No: 03613123)

T.K. Sibal

Director
(DIN No: 00038992)

Kallol Kundu

Chief Financial Officer

Place: New Delhi
Date: April 23, 2021

OBEROI KERALA HOTELS AND RESORTS LIMITED

BOARD OF DIRECTORS

Mr. P. R. S. Oberoi
Mr. S. S. Mukherji
Mr. Vikramjit Singh Oberoi
Mr. Arjun Singh Oberoi
Mr. Sanjeev Kaushik upto 19.03.2021
Mr. T. K. Sibal
Mr. K.G. Nair Mohanlal
Mrs. Rani George

AUDITORS

Ray & Ray, Chartered Accountants
205, Ansal Bhawan, 2nd Floor
16, Kasturba Gandhi Marg
New Delhi 110 001

REGISTERED OFFICE

C-46-452 (H)
Bristow Road
Willingdon Island
Cochin 682 003
Kerala

CORPORATE OFFICE

7, Sham Nath Marg
Delhi 110 054

Directors' Report

The Members

Oberoi Kerala Hotels and Resorts Limited

The Board presents the Twenty Seventh Annual Report with the Audited Statement of Accounts and the Auditor's Report for the Financial Year ended on 31st March 2021.

Financials

The Company has recorded a profit of Rs. 0.38 lacs during the Financial Year 2020-21 as against a profit of Rs. 0.21 lacs during the previous year. The accumulated losses as on 31st March 2021 amounted to Rs. 80.41 lacs. This is being carried forward. There were no material changes affecting the financial position of the Company.

During the year, Covid-19 pandemic outbreak has affected the Country and the globe. Hospitality sector has been severely impacted by the pandemic. However, as the Company has not commenced its operations, it has not been affected by the pandemic. The Company does not foresee any impact of Covid-19 pandemic on its financials nor does it foresee any impairment in the carrying value of the Company's asset. Accordingly, the Annual Financial Statement have been prepared on a going concern basis.

Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, ("the Act"), and based on representations from the Management, the Board states that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed and that there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the loss of the company for that period;
- c) the directors, to the best of their knowledge and ability, have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the Annual Accounts of the Company on a "going concern" basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Meeting

During the year, the Company held four Board Meetings on 3rd June 2020, 4th August 2020, 28th October 2020 and 15th January 2021. All the Board meetings were held through video conferencing as per the circulars issued by the Government of India, Ministry of Corporate Affairs due to Covid-19 pandemic outbreak in the entire Financial Year 2020-21.

The attendance of the Directors in the Board meetings are as under:

Name of the Director	Number of Meetings Attended
Mr. T.K.Sibal	4
Ms. Rani George	1
Mr. K.G. Mohanlal	3
Mr. Vikramjit Singh Oberoi	4
Mr. Arjun Singh Oberoi	2
Mr. Sanjeev Kaushik*	-

*Ceased to a director with effect from 19th March 2021

Directors

As on 31st March 2021, the Company had five directors on the Board.

Mr. Tej Kumar Sibal (DIN: 00038992) and Ms. Rani George (DIN: 02842527), Directors retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

Energy Conservation Measures

The Company is yet to commence any construction/operation of the hotel. Therefore, Energy Conservation measures and Risk Management are not applicable to the Company.

Foreign Exchange Earnings and outgo

There has been no foreign exchange earnings and outgo during the year, as per the Companies (Accounts), Rules, 2014.

Annual Return

In accordance with Section 92(3) of the Companies Act, 2013 read with rules made thereunder, the Annual Return of the Company in Form MGT-7 has been placed on the website of the holding company, www.eihltd.com

Employees

The Company does not have any employee. Therefore, the provisions of Section 197 of the Act read with Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014 does not apply.

Deposits

During the year, the Company has not accepted any deposits.

Directors' Report (Contd.)

Directors' Remuneration

None of the Directors were paid any remuneration during the year under review.

Loans, Guarantees or investments

During the year, the Company has not made any loans or guarantees and has not made any investments.

Related Party Transactions

The contract or arrangement entered into by the Company with Related Parties are in the ordinary course of business and are at arm's length. There are material contracts or arrangements with Related Parties required to be reported in the prescribed form in accordance with Section 188 of the Act read with Rule 8 (2) of the Companies Accounts Rules, 2014. The Related Party Transactions entered during the year are given in Note No 26 of the Financial Statement.

Subsidiaries Associates and Joint Ventures

The Company has no subsidiaries, associates or joint ventures.

Internal Financial Controls

The Company had adequate Internal Financial Controls for the size of the Company.

Non applicability of Company's compliance under provisions of Companies Act, 2013

Under the Companies Act, 2013, the Company does not qualify to comply with the following:

- (i) Appointment of Key Managerial personnel;

- (ii) Policy on Directors appointment and remuneration u/s 178 (3);
- (iii) Risk Management policy;
- (iv) Policy on CSR and CSR compliance;
- (v) Whistle Blower Policy;
- (vi) Board Evaluation process;
- (vii) Internal Audit;
- (viii) Secretarial Auditor;
- (ix) Audit Committee;
- (x) Appointment of Cost Auditors;
- (xi) Nomination and remuneration Committee.

Auditors

At the 23rd Annual General Meeting of the Company held in year 2017, the members had approved the appointment of M/s Ray & Ray, Chartered Accountants (FRN 301072E) as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years.

Auditor's Report

The Report of the Auditors does not contain any qualification, reservation or adverse remark.

Significant and Material Orders, if any

During the year, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and of the Company's operation in future.

For and on behalf of the Board

Vikramjit Singh Oberoi
Director

T.K. Sibal
Director

Date: April 19, 2021
Place: Delhi

Independent Auditor's Report

To The Members of Oberoi Kerala Hotels & Resorts Limited

Report on the Financial Statements

Financial Statement Opinion

We have audited the accompanying Ind AS financial statements of **Oberoi Kerala Hotels & Resorts Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial matter.

Emphasis of Matter

We draw attention to the Note 4 (ii) to the Ind AS financial statements. The Company has not commenced any construction/operation of the hotel on the freehold land at Thekkady having a cost of ₹171.80 lacs. The Company intends to sell the land which has been kept in abeyance as the necessary approvals from the Government of Kerala are yet to be received. The accounts have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. During the course of our audit, we have nothing to report on these matter.

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

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

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

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

Independent Auditor's Report (Contd.)

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Company as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- such the provisions of section 197 of the Act are not applicable at present.
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company and as such, the question of delay does not arise.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure "B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

For RAY & RAY
Chartered Accountants
Firm's Registration no. 301072E

Anil P. Verma
Partner
Membership no. 090408
UDIN-21090408AAAACB9525

Place: New Delhi
Date: April 19, 2021

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid /provided any remuneration to its directors during the year. As

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements section or our report to the members of Oberoi Kerala Hotels and Resorts Limited of even date).

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **Oberoi Kerala Hotels & Resorts Limited** ("the Company") as at March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standard on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAY & RAY**

Chartered Accountants
Firm's Registration no. 301072E

Anil P. Verma

Partner
Membership no. 090408
UDIN-21090408AAAACB9525

Place: New Delhi
Date: April 19, 2021

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Oberoi Kerala Hotels and Resorts Limited of even date).

- (i) In respect of the Company's property, plant & equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii). The Company did not have any inventory during the year. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii). The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, guarantees and security in accordance of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v). The Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi). The Central Government has not prescribed the maintenance of cost records by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii). (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income Tax, Goods & Service Tax, Service Tax, Employees' State Insurance, Income-tax, Sales-tax/Value Added tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were outstanding, as at 31.03.2021 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues of Sale tax/Value Added tax, Income-tax, Customs duty, Goods & Service Tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute.
- (viii) The Company does have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- (xi) Based on our examinations of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are generally in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any

preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the

Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For **RAY & RAY**

Chartered Accountants

Firm's Registration no. 301072E

Anil P. Verma

Partner

Membership no. 090408

UDIN-21090408AAAACB9525

Place: New Delhi

Date: April 19, 2021

Balance Sheet

as at March 31, 2021

	Note	As at March 31, 2021	₹ in Lakh As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	203.31	203.31
Total non-current assets		203.31	203.31
Current assets			
(a) Financial assets			
(i) Trade receivables	6	0.24	0.23
(ii) Cash and cash equivalents	7	2.88	2.99
(iii) Other financial assets	8	20.72	19.04
(b) Current tax Assets (net)	9	0.57	0.56
(c) Other current assets	10	0.04	0.32
Total current assets		24.45	23.14
Total Assets		227.76	226.45
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	272.00	272.00
(b) Other equity	12	(80.41)	(80.79)
Total Equity		191.59	191.21
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Other Non Current Financial Liabilities	13	12.65	11.40
(b) Deferred Tax Liabilities (Net)	14	0.27	0.29
(c) Other Non Current Liabilities	15	1.34	2.41
Total non-current liabilities		14.26	14.10
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	16	1.79	1.37
(ii) Other Financial Liabilities	17	18.88	17.20
(b) Other Current Liabilities	18	1.24	2.57
Total current liabilities		21.91	21.14
Total Equity and Liabilities		227.76	226.45

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **RAY & RAY**

Chartered Accountants

Anil P. Verma

Partner

Membership no. 090408

Firm's Registration no. 301072E

Place: New Delhi

Date: April 19, 2021

For and on behalf of the Board

Vikramjit Singh Oberoi

Director

Kallol Kundu

Chief Financial Officer

T.K. Sibal

Director

S.N. Sridhar

Company Secretary

Statement of Profit and Loss

for the Year ended March 31, 2021

	Note	Year ended March 31, 2021	₹ in Lakh Year ended March 31, 2020
Other income	19	8.66	8.56
Total Income		8.66	8.56
Expenses			
Finance costs	20	1.25	1.13
Other expenses	21	5.85	6.30
Total Expenses		7.10	7.43
Profit before Tax		1.56	1.13
Tax Expense			
Current tax	22	1.20	0.93
Deferred tax	22	(0.02)	(0.01)
Profit for the year		0.38	0.21
Other Comprehensive Income		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		0.38	0.21
EARNINGS PER EQUITY SHARE (In ₹) FACE VALUE ₹ 10	31		
(1) BASIC		0.014	0.008
(2) DILUTED		0.014	0.008

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **RAY & RAY**
Chartered Accountants

Anil P. Verma
Partner
Membership no. 090408
Firm's Registration no. 301072E

Place: New Delhi
Date: April 19, 2021

For and on behalf of the Board

Vikramjit Singh Oberoi
Director

Kallol Kundu
Chief Financial Officer

T.K. Sibal
Director

S.N. Sridhar
Company Secretary

Statement of Cash Flows

for the Year ended March 31, 2021

	Year ended March 31, 2021	₹ in Lakh Year ended March 31, 2020
Cash flows from operating activities		
Profit before Tax		
Adjustments for		
Rent Received	1.56	1.13
Finance costs	(7.59)	(7.40)
	1.25	1.13
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(0.01)	(0.01)
Increase/(decrease) in trade payables	0.42	0.53
(Increase)/decrease in other financial assets	-	(0.69)
(Increase)/decrease in other current assets	0.28	0.19
Increase/(decrease) in other non current liabilities	(1.07)	(1.07)
Increase/(decrease) in other financial liabilities	-	0.70
Increase/(decrease) in other current liabilities	(1.33)	1.42
Cash generated from operations	(6.49)	(4.07)
Income taxes paid (net of refund)	(1.21)	(1.05)
Net cash inflow from operating activities	(7.70)	(5.12)
Cash flows from investing activities		
Rent Received	7.59	7.40
Net cash outflow from investing activities	7.59	7.40
Cash flows from financing activities		
Interest paid	-	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(0.11)	2.28
Cash and cash equivalents at the beginning of the year	2.99	0.71
Cash and cash equivalents at the end of the year	2.88	2.99

Note:

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **RAY & RAY**
Chartered Accountants

Anil P. Verma
Partner
Membership no. 090408
Firm's Registration no. 301072E

Place: New Delhi
Date: April 19, 2021

For and on behalf of the Board

Vikramjit Singh Oberoi Director	T.K. Sibal Director
Kallol Kundu Chief Financial Officer	S.N. Sridhar Company Secretary

Statement of changes in equity

for the Year ended March 31, 2021

	₹ in Lakh
A. Equity share capital	
Balance at April 1, 2019	272.00
Changes in equity share capital during the year	-
Balance at March 31, 2020	272.00
Changes in equity share capital during the year	-
Balance at March 31, 2021	272.00
B. Other equity	
	Retained Earnings
Balance at April 1, 2019	(81.00)
Profit for the year	0.21
Other comprehensive income/(loss) for the year, net of tax	-
Total comprehensive income for the year	0.21
Balance at March 31, 2020	(80.79)
Balance at April 1, 2020	
Profit for the year	(80.79)
Other comprehensive income/(loss) for the year, net of tax	-
Total comprehensive income for the year	0.38
Balance at March 31, 2021	(80.41)

The accompanying notes form an integral part of the financial statements

For **RAY & RAY**
Chartered Accountants

Anil P. Verma
Partner
Membership no. 090408
Firm's Registration no. 301072E

Place: New Delhi
Date: April 19, 2021

For and on behalf of the Board

Vikramjit Singh Oberoi
Director

Kallol Kundu
Chief Financial Officer

T.K. Sibal
Director

S.N. Sridhar
Company Secretary

Notes to Financial Statements

Note 1: General Information

OBEROI KERALA HOTELS AND RESORTS LIMITED is a company limited by shares, incorporated and domiciled in India consequent upon a joint venture between EIH Limited and Kerala Tourism Infrastructure Limited [formerly known as Tourist Resorts (Kerala) Limited] **having its registered office at C-46-452(H), Bristow Road, Willingdon Island, Cochin 682 003, Kerala.** The company is primarily engaged in the development of tourism related projects in Kerala by way of establishing premium luxury hotels. The Company is yet to commence any construction / operation of the hotel.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements of Oberoi Kerala Hotels and Resorts Limited. These policies have been consistently applied to all the period presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Indian Accounting Standard (Ind AS).

The financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, as a going concern on an accrual basis.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision of an existing Accounting Standard requires a change in accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis

(iii) Use of estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision of such estimates is recognized in the period the same is determined.

b) Revenue recognition

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances,

rebates, value added taxes, Goods and Service Tax and amounts collected on behalf of third parties.

- (ii) Revenue from interest is recognized on accrual basis and determined by contractual rate of interest.

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

c) Income tax

Current income tax is recognized based on the taxable profit for the year, using tax rates and tax laws that have been enacted or made applicable on the date of balance sheet.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments

d) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements, using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

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

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally

Notes to Financial Statements

enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the taxes are also recognised in other comprehensive income or directly in equity respectively.

e) Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.

The Company as a lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and estimated restoration costs of the underlying asset where applicable. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the practical expedient by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately.

Notes to Financial Statements

The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

g) Cash and cash equivalents

Cash Flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non cash nature. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand and cash at bank.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

i) Investments and other financial assets

(i) Classification

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

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

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

For assets measured at fair value, gains and losses will be recorded in profit or loss. For

investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the company determines whether there has been a significant increase in credit risk.

Notes to Financial Statements

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(v) Income recognition

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

j) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

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

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

Transition to Ind AS

Effective 1 April, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with 1 April, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

On transition to Ind AS, the company has decided to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured under previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on fixed assets is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Freehold land is not amortised.

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

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to Financial Statements

l) **Borrowing costs**

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

m) **Foreign currencies**

Effective 1st April, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact of adoption of the standard on the financial statement.

n) **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

o) **Earnings per share**

(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit for the year attributable to equity shareholders of the company
- by the weighted average number of equity shares outstanding during the financial year,

(ii) **Diluted earnings per share**

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

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

p) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to rupees in lakhs with two decimals as per the requirement of Schedule III, unless otherwise stated.

3 **Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2021

4 **Significant Estimates & Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company’s accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included hereunder together with information about the basis of calculation for each affected line item in the financial statements. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

Notes to Financial Statements

- (i) COVID-19 is a global pandemic which has engulfed the entire globe. The company's operations, however, are restricted to taking a boat jetty on lease from the Government of Kerala and giving it on lease to its Parent / Holding company. The Parent/ Holding company, a hotel conglomerate having hotels spread across locations in India and overseas, has not expressed any intention to terminate the lease upto the date of signing of these financial statements. Similarly, the Government of Kerala has also not expressed any intention to terminate the lease till the signing of these accounts. Therefore, the company does not foresee any impact of the COVID-19 situation on its financials.
- (ii) The company has not commenced any construction / operation of the hotel on the freehold land at Thekkady having a cost of ₹171.80 lakhs. The Company intends to sell the land which has been

kept in abeyance as the necessary approvals from the Government of Kerala are yet to be received. As such, the land has been shown under the head - "Property, Plant and Equipment". The fair value of the land, as determined by an independent valuer on 18th March 2021, which is admissible under Ind AS, being a date close to the balance sheet date, was far in excess of the carrying value. One of the shareholders had, during the previous year, written to the other shareholder, with a request to either (a) get the approval from the Government of Kerala for sale of land expedited; or (b) consider a discontinuance of the Joint Venture arrangement by either of the Joint Venture partners taking over the shares of the other Joint Venture partner based on a valuation of the company's assets by an expert. A response from the other shareholder is awaited upto the date of signing of these financial statements. The financial statements have been prepared on a going concern basis.

Notes to Financial Statements

5 PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount		Accumulated Depreciation		Carrying Value As at 31 March, 2020	Carrying Value As at 31 March, 2021
	Balance as at 1 April 2019	Balance as at 31 March, 2020	As at April 1, 2019	As at March 31, 2020		
Freehold Land	31.51	-	-	-	31.51	-
Freehold Land *	171.80	-	-	-	171.80	-
Total Property, plant & equipment	203.31	-	-	-	203.31	-

	Gross carrying amount		Accumulated Depreciation		Carrying Value As at 31 March, 2021
	Balance as at 1 April 2020	Balance as at 31 March, 2021	As at April 1, 2020	As at March 31, 2021	
Freehold Land	31.51	31.51	-	-	31.51
Freehold Land *	171.80	171.80	-	-	171.80
Total Property, plant & equipment	203.31	203.31	-	-	203.31

Note:

Contractual obligations

Contractual commitments in respect of acquisition of property, plant and equipment - ₹ Nil (2020 - ₹ Nil)

* Refer para (ii) in Note 4

Notes to Financial Statements

6 Trade receivables

	₹ in Lakh	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Receivable from related parties - [EIH Limited - The Holding Company]	0.24	0.23
	0.24	0.23
7		
Cash and cash equivalents		
Balances with banks		
Current account	2.88	2.99
	2.88	2.99
8		
Other financial assets		
(Unsecured, Considered Good)		
Security Deposits	20.72	19.04
	20.72	19.04
9		
Current Tax Assets (net)		
Income Tax provision (net of advance tax)		
Opening balance	0.56	0.44
Current tax payable for the year	1.20	0.93
Refund received for prior periods	-	0.19
Taxes paid for the current year	1.21	1.24
	0.57	0.56
10		
Other current assets		
(Unsecured, Considered Good)		
Goods & Service Tax Adjustable	0.04	0.32
	0.04	0.32

11 Equity share capital

	₹ in Lakh	
	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
10,000,000 (2020 - 10,000,000) Equity Shares of ₹ 10 each	1,000.00	1,000.00
	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND FULLY PAID		
2,720,007 (2020- 2,720,007) Equity Shares of ₹ 10 each fully paid	272.00	272.00
	272.00	272.00

(i) The reconciliation of the number of shares outstanding and the amount of share capital is set out below

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the year	2,720,007	272.00	2,720,007	272.00
Add/Less: Movement during the year	-	-	-	-
Number of shares at the end of the year	2,720,007	272.00	2,720,007	272.00

(ii) Details of shareholders holding more than 5 percent shares in the Company:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
EIH Limited - the Holding Company	2,176,000	80.00%	2,176,000	80.00%
Kerala Tourism Infrastructure Limited	544,000	20.00%	544,000	20.00%

(iii) Shares of the company held by holding company:

	Number of shares	
	As at March 31, 2021	As at March 31, 2020
EIH Limited	2,176,000	2,176,000

Notes to Financial Statements

12

Other equity

	₹ in Lakh	
	As at March 31, 2021	As at March 31, 2020
Reserves And Surplus		
Retained Earnings *	(80.41)	(80.79)
	(80.41)	(80.79)
*Retained Earnings		
Opening Balance	(80.79)	(81.00)
Add; Profit for the year as per Statement of Profit & Loss	0.38	0.21
Add: Other comprehensive income	-	-
	(80.41)	(80.79)

Nature and purpose of Reserves

Retained Earnings in the statement of profit and loss

Retained Earnings represents net loss remaining after adjustment of all allocations/ profit

13

Other Non Current Financial Liabilities

	₹ in Lakh	
	As at March 31, 2021	As at March 31, 2020
Security Deposits (From EIH Limited - The Holding Company)	12.65	11.40
	12.65	11.40

14

Deferred tax liabilities (net)

	₹ in Lakh	
	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets on account of :		
Unabsorbed depreciation	-	-
Unabsorbed business Loss	-	-
Total deferred tax assets (A)	-	-
Deferred Tax Liabilities on account of:		
Security Deposits measured at fair value	0.27	0.29
Total deferred tax liabilities (B)	0.27	0.29
Deferred tax liabilities (net) (B-A)	0.27	0.29

Movement in deferred tax liabilities

	₹ in Lakh
As at 31 March, 2019	0.30
(Charged)/Credited to profit and loss	0.01
As at 31 March, 2020	0.29
(Charged)/Credited to profit and loss	0.02
As at 31 March, 2021	0.27

15

Other Non Current Liabilities

	₹ in Lakh	
	As at March 31, 2021	As at March 31, 2020
Deferred Rent Income - Security Deposit Liability	1.34	2.41
	1.34	2.41

Notes to Financial Statements

16

Trade payables

	As at March 31, 2021	₹ in Lakh As at March 31, 2020
Trade payables	1.79	1.37
	1.79	1.37

Classification as required by Micro, Small and Medium Enterprises Development Act, 2006

Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.79	1.37
	1.79	1.37

17

Other Financial Liabilities

	As at March 31, 2021	₹ in Lakh As at March 31, 2020
Security Deposits (From EIH Limited - The Holding Company)	18.88	17.20
	18.88	17.20

18

Other Current Liabilities

	As at March 31, 2021	₹ in Lakh As at March 31, 2020
Deferred Rent Income - Security Deposit Liability	1.07	1.07
Statutory Liabilities	0.17	0.14
Other Liabilities	-	1.36
	1.24	2.57

19

Other income

	Year Ended 31 March, 2021	₹ in Lakh Year Ended 31 March, 2020
Rental Income [From related party- The Holding Company]	7.59	7.40
Rental Income on Security Deposit	1.07	1.07
Other gains/(losses):		
Provisions & liabilities no longer required, written back	-	0.09
	8.66	8.56

20

Finance costs

	Year Ended 31 March, 2021	₹ in Lakh Year Ended 31 March, 2020
Interest Expense	1.25	1.13
	1.25	1.13

Notes to Financial Statements

21

Other expenses

	Year Ended 31 March, 2021	Year Ended 31 March, 2020
		₹ in Lakh
Electricity & Water	0.01	0.01
Lease Rental	2.08	1.89
Legal & Professional	0.33	0.89
Rates & Taxes	0.21	0.08
Expenses for contractual services	2.80	3.01
Postage, Telephone, etc.	-	0.01
Auditors' Remuneration (Refer Note below)	0.30	0.30
Miscellaneous Expenses	0.12	0.11
	5.85	6.30

21(a)

Details of Auditors' remuneration

As auditor:

- Audit fees	0.25	0.25
- GST on Audit Fees	0.05	0.05
	0.30	0.30

22

Tax Expense

	Year Ended 31 March, 2021	Year Ended 31 March, 2020
		₹ in Lakh
(a) Tax expense		
Current tax		
Current tax on profits for the year	1.20	0.93
Total current tax expense	1.20	0.93
Deferred tax		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	(0.02)	(0.01)
Total deferred tax expense	(0.02)	(0.01)
Total tax expense	1.18	0.92
(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before tax expense	1.56	1.13
Tax at the rate of 25.168% (F. Y. 2019-20 - 22.88%)	0.39	0.26
Tax effect of amounts which are not deductible in calculating taxable income:		
Others (Disallowed Expenses)	0.76	0.69
Rate change considered for deferred tax		
Rate change on movement during the year	(0.03)	0.03
Other differences		
Tax for earlier year charged to statement of Profit & Loss	-	-
Tax expense as per Income Tax	1.18	0.92

Note:

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Notes to Financial Statements

23

FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2021	₹ in Lakh As at March 31, 2020
	Amortised cost	Amortised cost
Financial assets		
Trade Receivables (receivable from related parties)	0.24	0.23
Cash and cash equivalents	2.88	2.99
Security deposits - other financial assets	20.72	19.04
Total financial assets	23.84	22.26
Financial liabilities		
Other Non Current Financial Liabilities - Security Deposits (From EIH Ltd - The Holding Company)	12.65	11.40
Trade payables	1.79	1.37
Other Financial Liabilities - Security Deposits (From EIH Ltd - The Holding Company)	18.88	17.20
Total financial liabilities	33.32	29.97

Fair value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.) derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). However, the company does not have any financial asset/liability which is measured at fair value on the reporting date

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

- 1) The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- 2) Security deposit have been amortised using the assumption that market participants would use when pricing the cost of liability, assuming that market participants act in their economic best interest. The amortisation has been done in accordance with market rate.

24

Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk the entity is exposed to and how the entity manages the risk

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Trade Receivables - Follow up with the Holding Company Financial Assets - Periodic ageing review by the management
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of sufficient liquid funds (Cash and Bank Balance)
Market risk - security prices	Company does not have investment in market quoted securities. Therefore company is not exposed to market price risk		

Company's risk management is carried out by senior management team. The risk management includes identification, evaluation and identifying the best possible option to reduce such risk.

Notes to Financial Statements

(A) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposures to outstanding receivables.

Credit risk management

Credit risk is managed on a company basis.

For financial assets, the company does not have a history of significant credit loss. Accordingly, company identifies and evaluate credit risk on case to case basis. On the basis of past experience, if the company believes there are chances of expected default, then company specifically provides for such expected losses.

For trade receivables company has decided to provide loss allowance for lifetime credit loss on the basis of expected credit loss model. However, as per company's past collection history, credit risk (default risk and delay risk) are insignificant. As per the past practice, company's trade receivables are generally collected within the acceptable credit period. In some instances, there is a practice of delay in receipt of payment, however the quantum of same is insignificant in comparison to the total trade receivables. Therefore, no loss allowance has been provided by the company on trade receivables under Ind AS.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. However, the company has a past practice of maintaining sufficient liquidity (Cash and Bank Balance) to meet its obligation. Further, the company does not have significant debt liability outstanding. Therefore, company does not maintain any committed credit facilities or borrowing to mitigate liquidity risk as the same is insignificant as per the company's current capital structure.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities in terms of relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months is equal to their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	₹ in Lakh			
	Not later than 1 year	Between 1 and 5 year	Later than 5 years	Total
March 31, 2021				
Non-derivatives				
Security Deposits (from EIH Ltd - the Holding Company) -Current	18.88	16.00	Nil	34.88
Trade payables	1.79	Nil	Nil	1.79
Total non-derivative liabilities	20.67	16.00	-	36.67
March 31, 2020				
Non-derivatives				
Security Deposits (from EIH Ltd - the Holding Company)	17.20	Nil	11.40	28.60
Trade payables	1.37	Nil	Nil	1.37
Total non-derivative liabilities	18.57	-	11.40	29.97

(C) Liquidity risk

Company does not have investment in market quoted securities. Therefore company is not exposed to market price risk

25

Capital management

(a) Risk management

The company manages its capital to ensure

- to continue as a going concern while maximising its return to stakeholders and
- an optimal capital structure to reduce the cost of capital.

The company's capital structure is determined by the management from time to time on the basis of factors such as profitability, liquidity, etc.

(b) Dividend

Company has not paid any dividend during the period covered by the financial statements

Notes to Financial Statements

26

Related Party Disclosures

26.1 List of Related Parties

Key Management Personnel of the company and its Parent Company

Ms. Rani George - Director of the Company

Mr. K.G. Mohanlal - Director of the Company

Mr. Sanjeev Kaushik - Director of the Company (upto 19.03.2021)

Mr. Vikram Oberoi - Director of the Company

Mr. Arjun Oberoi- Director of the Company

Mr. T. K. Sibal - Director of the Company

Mr. P.R.S. Oberoi - Wholetime Director of the Parent Company

Mr. S.S. Mukherji- Wholetime Director of the Parent Company

Parent Company

EIH Limited

Fellow Subsidiaries of Parent Company

Mumtaz Hotels Limited

Mashobra Resort Limited

EIH International Ltd.

EIH Flight Services Limited

EIH Holdings Ltd.

EIH Management Services B.V. (Liquidated during 2019-20)

EIH Investments N.V. (Liquidated during 2020-21)

PT Widja Putra Karya

PT Waka Oberoi Indonesia

PT Astina Graha Ubud

Associates/ Joint Ventures of Parent Company

EIH Associated Hotels Limited

Mercury Car Rentals Private Limited

Usmart Education Limited

Oberoi Mauritius Ltd.

Island Resort Ltd.

La Roseraie De L'atlas

Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the current and previous year.

No transactions during the current and previous year.

Joint Venture Partner

Kerala Tourism Infrastructure Limited

Notes to Financial Statements

26.2 The details of the related parties transactions entered into by the company during the year ended March 31, 2021 and March 31, 2020 are as follows:

NATURE OF TRANSACTIONS	₹ in Lakh					
	Parent Company		Fellow Subsidiaries		Associate/ Joint Venture of Parent Company	
	2021	2020	2021	2020	2021	2020
INCOME						
License Agreement						
EIH Limited	8.66	8.47	-	-	-	-
Total	8.66	8.47	-	-	-	-
PAYMENT						
REIMBURSEMENTS						
EIH Limited	0.64	-	-	-	-	-
Total	0.64	-	-	-	-	-
RECEIPTS						
Security Deposit						
EIH Limited	1.68	0.70	-	-	-	-
Total	1.68	0.70	-	-	-	-

26.3 The details of amounts due to or due from related parties (unamortised) as at March 31, 2021 and March 31, 2020 are as follows:

NATURE OF TRANSACTIONS	₹ in Lakh					
	Parent Company		Fellow Subsidiaries		Associate/ Joint Venture of Parent Company	
	2021	2020	2021	2020	2021	2020
PAYABLES						
Security Deposit						
EIH Limited	34.88	33.20	-	-	-	-
Total	34.88	33.20	-	-	-	-
RECEIVABLES						
For Goods & Services						
EIH Limited	0.24	0.23	-	-	-	-
Total	0.24	0.23	-	-	-	-

26.4 There are no other transactions with Fellow Subsidiaries, Associates/ Joint Ventures and Key Management personnel

27

Segment Reporting

The company is yet to commence operations. There is no reportable segment as per Ind AS 108.

28

Offsetting financial assets and financial liabilities

No offsetting has been done by the company.

29

Assets pledged as security

No asset has been pledged by the company.

30

Contingent Liabilities and Commitments

There are no contingent liabilities and capital commitments.

Notes to Financial Statements

31

Earnings per share

	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Basic and diluted earnings per share attributable to the equity holders of the company	0.014	0.008
		₹
		₹ in Lakh
(b) Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share:	0.38	0.21
(c) Weighted average number of shares used as the denominator		
		Number of Shares
	March 31, 2021	March 31, 2020
	Number of shares	Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,720,007	2,720,007
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	2,720,007	2,720,007

32

Leases

The Company as a lessee:

The Company has entered into lease arrangements with Irrigation Department, Government of Kerala for construction of a jetty. This lease is for a period of one year and is cancellable in nature and may generally be terminated by either party by serving a notice.

Amount recognised in Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases for the year ended March 31, 2021 and March 31, 2020:

	Year Ended March 31, 2021	Year Ended March 31, 2020
Expense relating to short-term leases (included in other expenses)	2.08	1.89

The Company as a lessor

The Company has given 50 cents of land to EIH Ltd [Holding Company] and a facility for Jetty on operating lease arrangements. These leasing arrangements which are not non-cancellable are usually renewable on mutually agreeable terms. Lease income in respect of these are shown as Rental Income.

33

The previous year's figures have been regrouped, reclassified and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year Financial Statements and are to be read in relation to the accounts and other disclosures relating to the current year.

34

The Financial Statements were approved for issue by the Board on April 19, 2021.

For and on behalf of the Board

Vikramjit Singh Oberoi
Director

T.K. Sibal
Director

Place: New Delhi
Date: April 19, 2021

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

EIH FLIGHT SERVICES LTD

BOARD OF DIRECTORS

Mr. P. R. S. Oberoi
Mr. S.S. Mukherji
Mr. Zafar Siamwala
Mrs Véronique Magny-Antoine (Upto 18.08.2020)
Ms. Risha Ranlaul Sookun (w.e.f. 19.08.2020)

SECRETARY

Ocorian Corporate Administrators Limited
6th Floor, Tower A
1, Cyber City
Ebène
Mauritius

AUDITORS

PricewaterhouseCoopers
PwC Centre, Avenue de Telfair,
Telfair 80829, Moka,
Republic of Mauritius

REGISTERED OFFICE

The Oberoi Mauritius
Baie aux Tortues
Pointe aux Piments
Mauritius

Report of the Directors

The Directors present their report and the audited financial statements of the Company for the year ended March 31, 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of catering services to airlines.

REVIEW OF THE BUSINESS

The Company's loss for the year is **Rs 71,835,894** (2020 – Rs 18,645,268). The total comprehensive income amounts to **Rs 71,419,894** (2020: Rs 18,272,268).

The Directors do not recommend the payment of a dividend for the year under review (2020 – Rs Nil).

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The financial statements of the Company for the year ended March 31, 2021 are set out on pages 155 to 180. The independent auditor's report on these financial statements is on pages 153 to 154.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

AUDITOR

The fees paid to the auditor, PricewaterhouseCoopers, for audit and tax compliance services were:

	2021	2020
Statutory audit fee	480,000	480,000
Tax compliance services	112,000	110,000
Other certification services	247,000	287,000
	839,000	877,000

AUDITOR

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office and will be automatically reappointed at the Annual Meeting.

Authorised by the Board of directors on April 15, 2021

and signed on its behalf by:

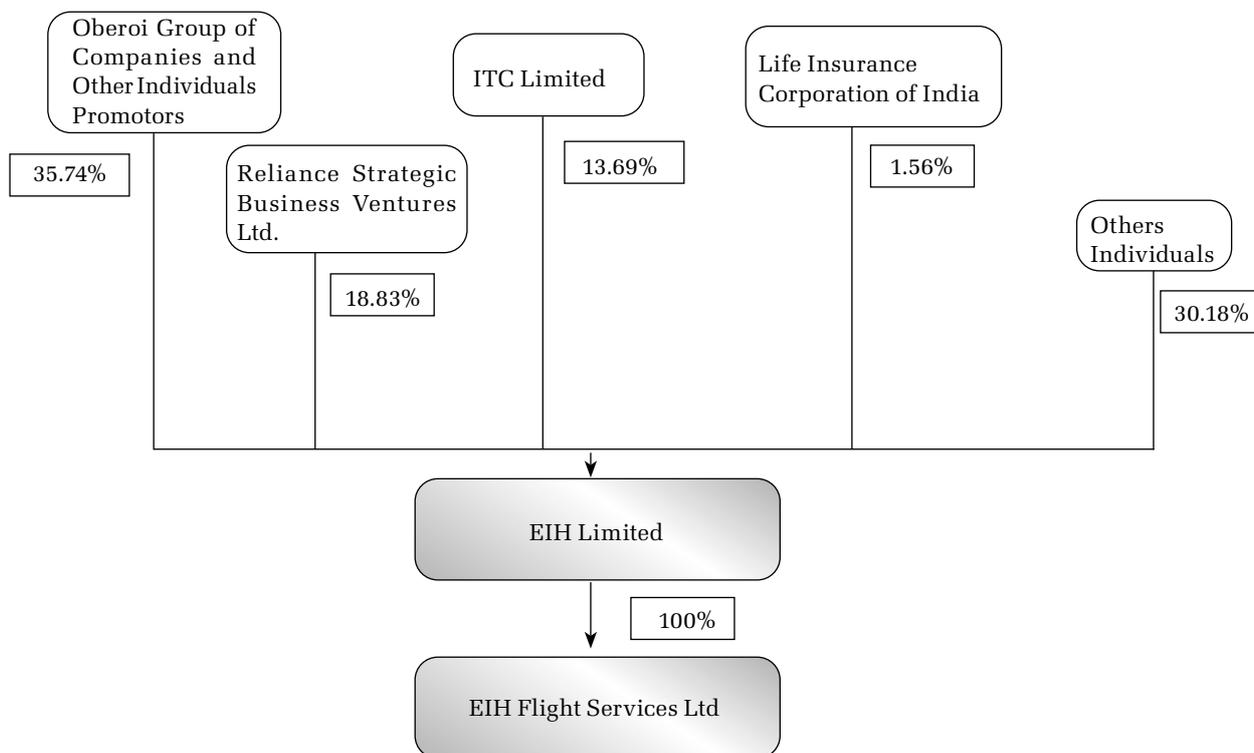
Zafar Siamwala
Ms. Risha Ranlaul Sookun] *Directors*

Corporate Governance Report

as at March 31, 2021

HOLDING STRUCTURE AND COMMON DIRECTORS

The Company is held by EIH Limited (100%), a public listed company in India.



The list of common Directors at the cascading holding structure level is disclosed as follows:

Directors	Mr. Prithviraj Singh Oberoi	Mr. Shib Sanker Mukherji	Mr. Zafar Siamwala	Mrs. Risha Ranlaul-Sookun
Companies				
EIH Limited	✓	✓		
Oberoi Hotels Private Limited	✓			
Oberoi Holdings Private Limited	✓			
Oberoi Investments Private Limited	✓	✓		

Mr Prithviraj Singh Oberoi is also a Director of other Oberoi companies.

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY

EIH Limited held 100% of the Company's shares as at March 31, 2021.

DIVIDEND POLICY

There is no formal dividend policy in place as the Company never had distributable reserves since the start of its operations. A formal dividend policy will be considered when distributable reserves are available.

BOARD OF DIRECTORS

The Board is comprised of four Directors.

The following Directors held office during the year ended March 31, 2021 and at the date of this report:

Mr Prithviraj Singh Oberoi
Mr Shib Sanker Mukherji
Mr Zafar Siamwala (Chairperson)
Mr Zafar Siamwala (Alternate to Mr Prithviraj Singh Oberoi)
Mrs Véronique Magny-Antoine (Resigned on 19 August 2020)
Mrs Isabelle Adrien (Alternate to Mrs Véronique Magny-Antoine) (Resigned on August 19, 2020)
Mrs Risha Ranlaul-Sookun (Appointed on 19 August 2020)

DIRECTORS' PROFILE

Mr. P. R. S. Oberoi (appointed on June 29, 2007)

Mr. P.R.S. Oberoi is the Executive Chairman of The Oberoi Group. He was educated in India, the United Kingdom and Switzerland. Mr. Oberoi graduated with a degree in Hospitality from the University of Lausanne, Switzerland.

Mr. Oberoi has been instrumental in pioneering the development of the new Oberoi hotels and resorts. The "Oberoi" brand has come to represent fine luxury hotels.

Mr. Oberoi was awarded the 'Padma Vibhushan', India's second highest civilian honour, in recognition of his exceptional service to the country in 2008.

In September 2009, Mr. Oberoi received the Lifetime Achievement Award at the first Economic Times TAAI Travel Awards 2009.

Mr. Oberoi was presented with the '2010 Corporate Hotelier of the World' award by HOTELS magazine in November 2010. Mr. Oberoi has over 60 years' experience in the hospitality industry.

Mr Shib Sanker Mukherji (appointed on June 29, 2007)

Mr Shib Sankar Mukherji is a member of the Institute of Chartered Accountants of India and has completed an Advanced Management Programme from Harvard University in the United States. He has over 49 years of working experience in the hospitality industry. He was appointed as Deputy Managing Director in 1998, then promoted as Managing Director. He was Vice Chairman and CEO of EIH Limited from 2013 to March 2015. Mr. Mukherji is now the Executive Vice Chairman of EIH Limited since April 1, 2015.

Mr Zafar Siamwala (appointed on 19 March 2007)

Mr Zafar Siamwala is a qualified Chartered Accountant. He has completed a Hospitality Management course from Ecole Hoteliere de Lausanne in 2001. Mr Siamwala has over 31 years of working experience with the Oberoi Group. He was initially in the finance department and has moved to the operations department since 1995.

Mrs Risha Ranlaul-Sookun (appointed on 19 August 2020)

Mrs Risha Ranlaul-Sookun is a Client Service Manager at Ocorian Corporate Services (Mauritius) Limited (OCORIAN). She is an Associate member of the Institute of Chartered Secretaries and Administrators (ACIS) and she has over 12 years' of professional experience in corporate structuring, company administration, company secretarial and client relationship for a number of international companies registered in Mauritius with a wide range of industries including domestic companies.

MEETINGS HELD IN 2020-2021

The Board met four times during the year 2020-2021

The Directors do not have other directorships in listed companies in Mauritius.

Mr Prithviraj Singh Oberoi indirectly holds 0.05% shareholding in the Company via EIH Limited.

Mr Shib Sanker Mukherji indirectly holds 1.45% shareholding in the Company via EIH Limited.

DIRECTORS' REMUNERATION

The Directors, being the representatives of the holding company, are not entitled to remuneration as the Company does not have a remuneration policy in place for its Directors.

STATEMENT OF REMUNERATION PHILOSOPHY

For remuneration paid to employees of the Company, the Company ensures that the employees at all levels are paid in line with the market rate. The Company believes in recruiting and retaining the best talent in the industry.

THE BOARD - COMPOSITION, COMMITTEES AND APPRAISAL

The new Code of Corporate Governance (the 'Code') came into force on 1 July 2017, repealing the previous one from 2003.

With the new definition of Public Interest Entities ('PIEs'), the Company is no longer classified as a PIE under the new Code.

However, the Company shall continue to follow the principles of good governance in appraising its Board and also continue to follow the principles of good governance as the Board deems appropriate.

PROFILE OF SENIOR MANAGEMENT TEAM

Mr Samar Kumar - Chief Accountant (appointed on March 01, 2017)

Mr Samar Kumar is the Chief Accountant of the Company. He has an experience of more than 34 years in the hospitality industry. He holds a B.Com (Hons.) Chartered Accountancy Intermediate. He joined the Oberoi Group as an Accounts Executive in February 1987 and has been a Chief Accountant in the Oberoi Group since October 2000.

Mr Karthik Sukumar - General Manager (appointed on September 01, 2018)

Mr Karthik Sukumar is the General Manager of the Company. He has more than 24 years' experience in hospitality industry (Flight Catering). He is a graduate in hotel management and has been working with the Company since 1996.

RELATED PARTY TRANSACTIONS

Details of related party transactions have been disclosed in Note 23 to the financial statements.

MATERIAL CLAUSES OF THE COMPANY'S CONSTITUTION

There are no material clauses to the Constitution of the Company.

MATERIAL CLAUSES OF THE SHAREHOLDERS' AGREEMENT

The Company does not have a Shareholders' Agreement in place, as it is wholly owned by only one shareholder, namely EIH Limited.

RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, namely market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

Risk management is carried out by the Company under policies approved by senior management.

The holding company has various group policies in place which are also applicable at the level of the Company.

Compliance risk with local laws and regulations

Compliance risk is being monitored by Ocorian Corporate Administrators Limited (Ocorian) pursuant to a Service Agreement between ABAX (now known as Ocorian) and the Company.

Details of risk management and more details on the various types of risks faced by the Company have been disclosed in Note 4 of the financial statements.

SHARE OPTION PLAN

The Company does not have any employee share option plan.

CHARITABLE DONATIONS

The Company did not make any charitable donations during the year ended 31 March 2021 (2020 - Nil).

POLITICAL DONATIONS

The Company did not make any political donations during the year ended 31 March 2021 (2020 - Nil).

SOCIAL, ETHICAL, SAFETY, HEALTH AND ENVIRONMENTAL ISSUES

The Company has the following policies in place:

1. Occupational Health and Safety Policy

The objective of the Occupational Health and Safety Policy is to give practical advice on how to reduce health and safety risks associated with Operation work. It summarises employers' responsibilities and provides a checklist for employers and staff themselves.

2. Food Safety Policy

The Company is committed to deliver Quality Food that is tasty, appealing, and safe and of the highest hygiene standards to its clients on time. The Company continuously strives to improve its Supply Chain Management, Food Safety Management System and HACCP System by adopting the latest Technology and respecting the International Standards.

The Company improves the skills and competency of its employees by training and developing its team members.

3. Environment Policy

The Oberoi Group sees itself as an organisation which is committed to the environment by using natural products and recycled items thus ensuring proper use of diminishing natural resources.

The Company is committed to continually improve the environment by:

- (a) Optimising the usage of resources such as energy, effluent treatment of water.
- (b) Enhancing the practice of awareness amongst its suppliers and employees and minimising its carbon foot print.
- (c) Providing a hygienic and safe working environment within its premises and also maintaining and increasing the greenery within and around its premises.
- (d) Implementing Rain Water Harvesting Technology and using Solar energy in its premises.
- (e) Minimising adverse impact on the environment by constantly adopting improvements in available technology.

Corporate Governance Report (Contd.)

4. Health and Safety Policy

The Company ensures that Health and Safety of its employees are always given priority and all measures are taken to safeguard it.

INTERNAL CONTROL AND AUDIT

The Company has internal controls in place which are in line with the EIH Group Policy and Standards. The internal controls in place are commensurate to the size and nature of the business of the Company. These controls are strictly monitored by the management by regular checks and are also reviewed on continuous basis to further strengthen them.

IMPORTANT EVENTS

The Calendar for the year ending March 31, 2022 is as follows:

	Events	Dates
1.	Quarterly Board meetings	April 2021 July 2021 October 2021 January 2022
2.	Annual Meeting	April 2021

Authorised for issue by the Board of Directors on and signed on its behalf by:

April 15, 2021

Zafar Siamwala

Ms. Risha Ranlaul Sookun

Directors

SECRETARY'S CERTIFICATE

TO THE MEMBER OF EIH FLIGHT SERVICES LTD

UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2020, all such returns as are required of the Company under the Mauritian Companies Act 2001.

**OCORIAN CORPORATE ADMINISTRATORS LIMITED
CORPORATE SECRETARY**

Date: April 15, 2021

Independent Auditor's Report

To the Shareholder of EIH Flight Services Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **EIH Flight Services Ltd** (the "Company") as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of EIH Flight Services Ltd set out on pages 155 to 180 comprise:

- the statement of financial position as at March 31, 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a loss of Rs 71,835,894 during the year ended March 31, 2021 and, as of that date, it had a net current liability of Rs 150,213,675 and a shareholder's deficit of Rs 88,158,426. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, the corporate governance report and the secretary's certificate but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (Contd.)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Johanne How Cho Hee, licensed by FRC

April 15, 2021

Statement of Comprehensive Income

For the year ended March 31, 2021

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers (Note 5)	19,114,433	251,399,034
Cost of sales	(29,914,066)	(134,446,441)
Gross profit	(10,799,633)	116,952,593
Other income	23,707,199	-
Administrative expenses	(60,588,602)	(117,545,531)
Operating loss (Note 6)	(47,681,036)	(592,938)
Finance costs - Net (Note 8)	(22,461,754)	(27,477,426)
Loss before income tax	(70,142,790)	(28,070,364)
Income tax (expense)/ credit (Note 9)	(1,693,104)	9,425,096
Loss for the year	(71,835,894)	(18,645,268)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefits obligations (Note 20 (d))	416,000	373,000
Total other comprehensive income for the year	416,000	373,000
Total comprehensive income for the year	(71,419,894)	(18,272,268)

The notes on pages 159 to 180 are an integral part of these financial statements.

Statement of Financial Position

as at March 31, 2021

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Assets		
Non-Current Assets		
Property, plant and equipment (Note 11)	285,504,083	304,593,587
Deferred income tax asset (Note 10)	19,606,855	21,299,959
Right-of-use assets (Note 12)	151,700,583	157,548,161
	456,811,521	483,441,707
Current Assets		
Inventories (Note 13)	4,244,192	5,834,398
Trade and other receivables (Note 14)	14,505,609	33,976,854
Cash in hand and at bank (Note 15)	64,946	263,849
	18,814,747	40,075,101
Total Assets	475,626,268	523,516,808
Equity and Liabilities		
Equity attributable to owners		
Share Capital (Note 16)	690,440,060	690,440,060
Accumulated losses	(779,863,486)	(708,027,592)
Other reserves (Note 17)	1,265,000	849,000
(Shareholder's deficit)	(88,158,426)	(16,738,532)
Liabilities		
Non-current liabilities		
Borrowings (Note 19)	390,387,272	428,310,854
Retirement benefits obligations (Note 20)	4,369,000	3,655,000
	394,756,272	431,965,854
Current liabilities		
Trade and other payables (Note 18)	33,662,199	52,980,478
Borrowings (Note 19)	106,066,947	50,694,858
Bank Overdraft (Note 15)	29,299,276	4,614,150
	169,028,422	108,289,486
Total liabilities	563,784,694	540,255,340
Total equity and liabilities	475,626,268	523,516,808

Authorised for issue by the Board of directors on April 15, 2021
and signed on its behalf by:

Zafar Siamwala	}	Directors
Ms. Risha Ranlaul Sookun		

The notes on pages 159 to 180 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended March 31, 2021

	(Expressed in Mauritian Rupees)			
	Share capital	Accumulated losses	Other reserves	Total
At March 31, 2019	690,440,066	(689,382,324)	476,000	1,533,742
Transaction with owners of the Company:				
Adjustments to stated capital	(6)	-	-	(6)
	(6)			(6)
Loss for the year	-	(18,645,268)	-	(18,645,268)
Other comprehensive income for the year	-	-	373,000	373,000
Total comprehensive income for the year	-	(18,645,268)	373,000	(18,272,268)
At March 31, 2020	690,440,060	(708,027,592)	849,000	(16,738,532)
Transaction with owners of the Company:				
Loss for the year	-	(71,835,894)	-	(71,835,894)
Other comprehensive income for the year	-	-	416,000	416,000
Total comprehensive income for the year	-	(71,835,894)	416,000	(71,419,894)
At March 31, 2021	690,440,060	(779,863,486)	1,265,000	(88,158,426)

The notes on pages 159 to 180 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2021

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Loss before income tax	(70,142,790)	(28,070,364)
Adjustments for non-cash items:		
Depreciation on Property, Plant and Equipment (Note 11)	18,921,687	20,453,182
Depreciation on Right-of-use assets (Note 12)	5,847,578	5,863,598
Interest expense (Note 8)	22,850,090	27,212,479
Increase in retirement benefits obligations (Note 20(c))	1,130,000	1,391,000
Profit on disposal	(264,833)	-
Adjustment to stated capital (Note 16)	-	(6)
Operating profit before working capital changes	(21,658,268)	26,849,889
Decrease/ (increase) in inventories	1,590,206	(140,530)
Decrease in trade and other receivables	19,471,245	9,730,525
(Decrease)/ increase in trade and other payables	(19,318,279)	4,422,503
Employer contribution for retirement benefits obligations (Note 20(a))	-	(131,000)
Net cash (used in)/ from operating activities	(19,915,096)	40,731,387
Cash flows from investing activities		
Payment for purchase of property, plant and equipment (Note 11)	-	(545,374)
Proceeds from disposal	432,650	-
Net cash used in investing activities	432,650	(545,374)
Cash flow from financing activities		
Payment on lease liabilities (Note 19(b))	(1,747,282)	(9,466,441)
Interest paid on bank borrowings (Note 19(a))	(11,254,301)	(15,746,289)
Repayment of bank borrowings (Note 26)	-	(22,500,000)
Loan received (Note 19(a))	7,600,000	-
Net cash used in financing activities	(5,401,583)	(47,712,730)
Net increase in cash and cash equivalents	(24,884,029)	(7,526,717)
Cash and cash equivalents at beginning of year	(4,350,301)	3,176,416
Cash and cash equivalents at end of year (Note 15)	(29,234,330)	(4,350,301)

Refer to Note 25 for Notes to Statement of cash flows.

The notes on pages 159 to 180 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2021

1 GENERAL INFORMATION

EIH Flight Services Ltd (the “Company”) is a private company incorporated on January 03, 2007 and domiciled in Mauritius. The address of its principal place of business is opposite Airport Police Station, Plaine Magnien, Mauritius. Under the new Code of Corporate Governance which came into force on July 01, 2017, repealing the previous one from 2003, the Company is no longer classified as a Public Interest Entity.

The principal activity of the Company is the provision of catering and ancillary services to airlines.

These financial statements will be submitted for consideration and approval at the forthcoming meeting of Directors and thereafter submitted for consideration and adoption at the forthcoming Annual Meeting of the shareholder of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Basis of preparation

Going concern

As at 31 March 2021, the Company was in a shareholder's deficit position of **Rs 88,158,426** (2020 - Rs 16,738,532), in a net current liability position of **Rs 150,213,675** (2020 - Rs 68,214,385) and for the year ended 31 March 2021, the Company has incurred a loss of **Rs 71,835,894** (2020 - Rs 18,645,268).

During the year ended 31 March 2021, the Company incurred net cash outflows of **Rs 19,915,096** (2020 - inflows of Rs 40,731,387) from its operations and has a bank overdraft facility of **Rs 32,500,000** (2020 - Rs 25,000,000) to meet its day-to-day working capital requirements. At 31 March 2021, the overdraft balance was **Rs 29,234,330** (2020 - Rs 4,350,301).

The above financial performance is due to the impact of the global outbreak of the coronavirus (“COVID- 19”) and the measures put in place by governments worldwide to restrict international travel. These measures still prevail as at the date of approval of these financial statements.

COVID-19 hence continues to raise a number of uncertainties due to the judgement required to estimate the extent to which this pandemic will persist and its related impact on international travel and viability of the Company's main clients, i.e. the airlines.

The Directors are of the opinion that the financial statements can be prepared on the going concern basis, which assumes that the Company will continue in

operational existence for the foreseeable future, due to the following reasons:

1. Projections

Revenue

- For the year ending on March 31, 2022, the directors have projected revenue to increase to Rs 120,000,000. This is made up of Rs 80,000,000 revenue from airline catering services and Rs 40,000,000 revenue from outdoor catering services.
- The key drivers for the airline catering services revenue forecasted is based on the assumption that there is some passenger traffic for the first two quarters of FY 2022, arising from repatriation flights, and the reopening of the Mauritian borders leading to partial resumption of activities as from the third quarter of FY 2022 onwards, which coincides with the tourism peak season of Mauritius. The assumptions are as follows:

	Q1' 2021	Q2 '2021	Q3' 2021	Q4' 2021
Revenue (thousand meals)	79	136	254	240
Revenue (Rs'm)	4	16	31	29

- As for outdoor catering services, since FY 2021, the Company has entered into a few contracts with corporate bodies to cater for special events, to provide meals for sale in retail stores, or for the institutional catering of a business school's meals. The Company has also obtained a signed letter of intent for the supply of meals to certain construction workers as from FY 2022.
- The Directors continue to negotiate with other potential customers and seek for new opportunities, including the provision of meals to guests under quarantine and frozen meals.

Costs

- For the year ending on March 31, 2022, the Directors have projected food costs of Rs 53,000,000 to cater for the projected increase in revenue, and other operating costs of Rs 66,000,000. For other operating costs, cost savings initiatives were effectively undertaken by the Directors as from FY 2021, such as the termination of contracts with subcontractors for the employment of casual workers and the bulk buying of certain products as part of the Oberoi Group.
- The Company obtained Rs 23,440,000 from the government wage assistance scheme during FY 2021 and expects to continue benefitting

Notes to the Financial Statements

For the year ended March 31, 2021

from this scheme in the first quarter of the FY 2022.

- c. The Company is also continually seeking ways to eliminate waste at each level with micro analysis by a dedicated core team comprising the department heads.

Liquidity

- a. During the year ended March 31, 2021, the Company negotiated for extension of its overdraft facility from Rs 25,000,000 to Rs 32,500,000 and has finished the year with a net overdraft balance of Rs 29,234,330.
- b. Based on the revenue and costs projections detailed above, the Company has reassessed its cash flow forecasts on a monthly basis for the forthcoming financial year and predicts that it will close FY 2021 within its overdraft limit of Rs 32,500,000, on the assumption that both the debtors' and creditors' days are 30 days, and that it obtains continual financial support from its parent of around Rs 9,500,000 during the year.
- c. As per note 19 of the financial statements, the Company will need to pay Rs 98,100,000 of its bank borrowings by March 31, 2022. As part of its arrangement with the lender, EIH Limited, the parent company, has provided a repayment undertaking as follows:
 - (i) To inject an amount of Rs 50,000,000 as shareholder's equity by June 30, 2021;
 - (ii) Additional shareholder equity as required during the financial year 2021-2022, ending March 31, 2022 so as to match all loan instalments falling due at the bank;
 - (iii) Thereafter, to inject adequate funds to cater for any shortfall in the cash flow of the borrower so that it can repay its banking facilities on the agreed terms and conditions.

2. Financial support from EIH Limited

- a. The Company is a subsidiary of EIH Limited, which is part of the wider Oberoi Group, and continual financial support has been provided by its parent to the Company, whenever required, since the start of operations.
- b. The parent company has provided a letter of support, to confirm that financial support will still be provided for the foreseeable future.
- c. As of 31 March 2021, the parent company has undrawn banking facilities of INR 4.9 billion and a gearing ratio of about 14%.

- d. The ability of the parent company to provide support has considered the potential adverse impact of the COVID-19 pandemic.

While the Directors acknowledge that there is a certain degree of uncertainty surrounding COVID-19, the Directors are comfortable that the Company will continue into operations for at least the next twelve months and as such, the financial statements can be prepared on the going concern basis.

(ii) Changes in accounting policy and disclosures

New and amended standards

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

Amendments to IAS 1 and IAS 8: Definition of Material

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material have no significant impact on the Company's financial statements.

New standards, amendments and interpretations issued but are not yet effective

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the new standards, amendments and interpretations to standards are expected to have a significant impact on the Company's financial statements.

(iii) Summary of significant accounting policies

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Mauritian rupees ("Rs"), which is the Company's functional and presentation currency. The Mauritian rupee

Notes to the Financial Statements

For the year ended March 31, 2021

is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(b) Transactions and balances

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

Foreign exchange gains and losses are presented in the statement of comprehensive income within 'Finance costs - Net'.

Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied

by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss in the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

The annual rates used are:

Buildings on leasehold land	3.33%
Furniture, fittings and other equipment	3.00% to 10.00%
Office equipment	33.00%
Motor vehicles	20.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Weighted Average Cost (AVCO) Method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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.

Notes to the Financial Statements

For the year ended March 31, 2021

Financial Assets

(a) *Classification and initial measurement*

The Company classifies its financial assets in the following measurement categories, as set out in IFRS 9:

- those to be measured subsequently at fair value (either through Other Comprehensive Income ('OCI') or through profit or loss), and;
- those to be measured at amortised cost.

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

(b) *Subsequent measurement* *Debt instruments*

The Company classifies its debt instruments as follows:

▪ *Financial assets at amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Company's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents:

Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services

performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses.

Cash and cash equivalents

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

The Company's cash and cash equivalents include cash in hand and at bank, net of bank overdrafts. Bank overdrafts are shown under current liabilities on the statement of financial position.

(c) *Impairment*

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The financial assets of the Company that are subject to the expected credit loss model are trade receivables arising from provision of catering services.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Financial Statements

For the year ended March 31, 2021

For further details on impairment of financial assets, see note 4.

(d) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

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

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

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

Financial liabilities

(a) *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

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

The Company's financial liabilities include trade and other payables and borrowings.

(b) *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

(i) *Borrowings*

Borrowings are recognised initially at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(ii) *Trade and other payables*

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(c) *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 statement of profit or loss.

Notes to the Financial Statements

For the year ended March 31, 2021

Offsetting of financial instruments

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

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments, non-financial assets are reviewed for possible reversal at each reporting date.

Leases

Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Retirement benefit obligations

The retirement benefit obligation is recognised for obligations to provide post-employment benefits. Postemployment benefits are employee benefits (other than termination and short term employee benefits) that are payable after the completion of employment. Post-employment benefit plans are classified as either defined benefit plans or defined contribution plans, depending on the substance of the plan as derived from its principal terms and conditions.

Under defined contribution plans, the entity's legal or constructive obligation is limited to the amount it agrees to contribute to a fund.

Under defined benefit plans:

- The entity's obligation is to provide the agreed benefits to current and former employees; and
- Actuarial risk (that benefits will cost more than expected) and investment risk fall, in substance, on the entity. If actuarial or investment experience are worse than expected, the entity's obligations may be increased.

The defined benefit plan may be unfunded or they may be wholly or partly funded by contributions by an entity, and sometimes its employees, into a fund from which the employee benefits are paid.

Notes to the Financial Statements

For the year ended March 31, 2021

The Company is subject to an unfunded defined benefit plan for the employees and has recognised a net defined benefit liability in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Employment Right Act 2008.

The liability recognised in the balance sheet in respect of the defined benefit pensions plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation and the current service cost is determined by discounting the estimated future cash flows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and have terms approximating to terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other reserves in the statement of financial position.

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

Share capital

Share capital is determined using the nominal values of shares that have been issued and classified as equity. Ordinary shares are classified as 'share capital' in equity.

Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those.

Sale of goods

For sales of goods, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers (delivery), net of value added tax and discounts. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional.

Expenses recognition

Expenses are accounted for in profit or loss on the accrual basis.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities within the next year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Retirement benefits obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

Notes to the Financial Statements

For the year ended March 31, 2021

Recognition of deferred tax asset

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

A five years' projections have been prepared whereby the Company is expected to have taxable profits throughout the next five financial years. In line with same, the Company has reviewed its temporary differences, unused tax losses and unused tax credits and determine that it is probable that taxable profits will be available against which part of these can be utilised.

As a consequence, as at March 31, 2021, a deferred tax asset of **Rs 19,606,855** (2020 – Rs 21,299,959) has been recognised, and the unrecognised deferred tax asset amounted to **Rs 68,124,724** (2020 – Rs 56,643,146) (Refer to Note 10 for details).

Going concern

The directors of the Company have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis. Refer to Note 2(i) for further details.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs

on the Company's trade receivables is disclosed in Note 4(b).

Determining the lease term of contract with renewal option

The Company 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.

The Company has leased a land area for a period of 20 years that include extension options for two additional periods of ten years. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company included the renewal period (two additional periods of ten years) as part of the lease term for leases of leasehold land. The Company typically exercises its option to renew for because there will be a significant negative effect on operation if a replacement asset is not readily available.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As at March 31, 2021, the directors have determined that the property, plant and equipment ("PPE") does not require any impairment given that the majority of its PPE is made up of property, the value of which is not expected to decrease significantly due to continual maintenance of the property and that the plant and machinery used by the Company are in good working conditions. Even though this is not a priority of management, any of the plant and machinery could easily be transferred to other companies within the group with minimal costs/losses being incurred by the Company.

4 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks, namely, market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing the risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2021

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures. Risk management is carried out by the Company under policies approved by senior management.

The Company's exposure to the various types of risks associates to its activity and financial instruments is detailed below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange risks will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's income and operating cash flows are to some extent dependent on changes in interest rates. The only significant interest bearing financial assets and liabilities held by the Company are borrowings and cash and cash equivalents.

Interest prevailing on the bank borrowings varies as per the SBM Prime Lending Rate which has remained unchanged and interest on leases is fixed.

The Company's interest rate risk arises from bank overdraft. At 31 March 2021, the interest

rate on the bank overdraft was **6.50%** (2020: 7.4%). Based on simulations performed, the impact on pre-tax loss and net liabilities of a 1% shift in interest rates would be an increase/(decrease) of **Rs 292,993** (2020 - Rs 46,141).

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has assets and liabilities denominated in foreign currencies, namely US dollar ("USD") and Euro ("EUR"). Consequently, the Company is exposed to the risk that the exchange rate of the Mauritian rupee relative to the foreign currencies may change in a manner, which has a material effect on the reported values of the Company's assets and liabilities which are denominated in foreign currencies.

Currency profile

As at March 31, 2021, if the USD had weakened/strengthened by 10% against the Mauritian rupee with all other variables held constant, the loss for the year would have been lower/higher by **Rs Nil** (2020 - Rs 122,322).

As at March 31, 2021, if EUR had weakened/strengthened by 10% against the Mauritian rupee with all other variables held constant, the loss for the year would have been lower/higher by **Rs 2,364** (2020 - Rs 180,431).

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	(Expressed in Mauritian Rupees)			
	Financial Assets 2021	Financial Liabilities 2021	Financial Assets 2020	Financial Liabilities 2020
US dollar	-	-	1,223,251	27
Mauritian rupee	12,031,784	559,415,694	26,906,634	536,543,552
Euro	23,637	-	1,804,312	-
	12,055,421	559,415,694	29,934,197	536,543,579

Prepayments amounting to **Rs 562,543** (2020: Rs 2,189,602) and indirect taxes of **Rs 1,952,591** (2020: Rs 2,116,904) have not been included in financial assets. Social securities and indirect taxes of **Rs Nil** (2020: Rs 56,761) and retirement benefits obligation of **Rs 4,369,000** (2020: Rs 3,655,000) have not been included in financial liabilities.

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair value of equities as the result of changes in

the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financial activities including cash and cash equivalents.

Notes to the Financial Statements

For the year ended March 31, 2021

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the directors consider that the ECL is not material as the Company deals with highly reputable financial institutions in the country.

Trade receivables

The Company has trade receivables from different debtors in the airline industry and other industry (the "Debtors") amounting to **Rs 8,513,300** at March 31, 2021 (2020 - Rs 26,852,533), which are unsecured, interest free and repayable between 30 to 60 days in the ordinary course of business (the "Receivable").

The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history. Credit facilities are based on the recommendation of sales offices of the Oberoi Group abroad, after performing a credit worthiness check on these customers.

IFRS 9 establishes a simplified impairment approach for qualifying trade receivables that do not contain a significant financing component. This simplification eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.

The assessment include the following:

- Develop a provision matrix for the Receivable based on each category of Debtor.
- Estimate the payment profiles of each category Debtor and obtain net exposure at each reporting date based on subsequent payments.
- Consider forward-looking information of each category/ material Debtor.
- Consider micro and macro-economic environment of each category/material Debtor.
- Estimate potential losses on the Receivables in an event of default.

In addition, a high level assessment of the impact of Covid-19 on the industry and potential debtors have been carried out.

The Company has adopted a residual risk approach based on analysis of the remaining exposure after accounting for subsequent receipts rather on historical default rates since no debts have been incurred in relation to the sales for the past 3 years.

An analysis of net remaining exposure on Debtors at March 31, 2020 is illustrated below:

	(Expressed in Mauritian Rupees)				
March 31, 2020	30 days Rs'000	60 days Rs'000	90 days Rs'000	120 days Rs'000	Total Rs'000
Trade receivables	14,196	6,210	4,512	1,934	26,852
When paid (after year end)					
Within 30 days	1,675	47	1,030		2,752
Between 30 and 60 days	489	1,042	-	-	1,531
Between 60 and 90 days	1,000	5,121	3,482	-	9,603
Between 90 and 120 days	4,921	-	-	1,934	6,855

The receivables balances at March 31, 2021 and 2020 are as follows:

	(Expressed in Mauritian Rupees)				
March 31, 2021	30 days	60 days	90 days	120 days	Total
Trade receivables	2,174,434	-	-	6,338,866	8,513,300
March 31, 2020					
Trade receivables	14,196,419	6,210,428	4,511,711	1,933,975	26,852,533

Taking into account the profile of trade receivables (partial state ownership for many) and their history of payments over the last three years and that there were no bad debts recorded, it is of the view that the trade receivables represent a low risk of default, although there is likely to be delays in repayment depending on duration of lockdowns and return to air travels.

Based on the "World Economic Outlook January 2021" analysis by the IMF, the impact of the global economy is expected to grow at 5.5% in 2021, after a contraction in 2020 following the Covid-19 pandemic. Their baseline scenario assumes that following multiple vaccine approvals, vaccine will be available in advance economies and some emerging economies in 2021 and across other countries by the second half of 2022.

However, if the virus and its new variants are more difficult to contain and infections surge before vaccines are widely available than expected, growth could be lower than estimated by the baseline scenario.

One year after the outbreak of Covid-19, the airline industry is still heavily affected by travel restrictions and the impact as per the International Air Transport Association (IATA) is as follows:

- Passenger traffic decreased by 66% in 2020 as a whole, which is considered as the sharpest decline in the aviation industry.
- First quarter of 2021 remains challenging for the airline industry given that willingness to travel is

Notes to the Financial Statements

For the year ended March 31, 2021

- low. The year-on-year change for travel bookings in January 2021 was down by 70%.
- The Revenue Passenger Kilometers (RPKs) fell by 69.7% year-on-year in 2020.
- Closed borders, travel restrictions and confidence effects of Covid-19 have caused RPKs to plunge by 66% as compared to 2019.
- An economic rebound is expected in 2021 as governments will continue to provide significant fiscal and monetary stimulus, while vaccines will help reduce the infection rates. Even the IMF became more optimistic about 2021 GDP growth of 5.1%.

The recent credit ratings by Bloomberg in 2021 were analysed and it was noted that the credit ratings range from BBB- to B+ and the default rates associated for the said ratings would theoretically range from 0.16% to 3.33% (based on the Global Corporate Average Cumulative Default rates as estimated by S&P Global Ratings).

Management expects that the impact on the business will be limited to the lockdown period in Mauritius and will be minimal with the support of government towards the travel and tourism industry.

Thus, on the above analysis and the industry outlook, and considering the following factors, the credit risk on trade receivables at 31 March would be low and hence any expected credit loss would not be material:

- No history of default on the debtors;
- Low Global Corporate Average Cumulative Default rates of BBB- to B rated instruments (from 0.16% to 3.33%);

- Global economic outlook by IMF predicting a recovery of global economy, with a GDP growth of 5.1% in 2021;
- Difficulty to accurately quantify any impact of the Covid-19 virus as long as the duration and the scale of the pandemic and economic slowdown remain uncertain.

Management has further assessed the time value impact of any delay in settlement of these debts outside the normal credit terms and has concluded that this will not have a significant impact on the financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	(Expressed in Mauritian Rupees)			
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
At March 31, 2021				
Trade and other payables	33,662,199	-	-	-
Finance lease commitments	753,384	477,172	144,363	-
Bank loans	109,178,438	61,479,688	173,714,063	-
Lease liability	16,382,683	8,875,393	29,451,513	385,971,267
Bank Overdraft	29,299,276	-	-	-
	189,275,980	70,832,253	203,309,939	385,971,267
At March 31, 2020				
Trade and other payables	52,923,717	-	-	-
Finance lease commitments	793,869	902,17	312,158	-
Bank loans	64,122,520	101,001,860	179,567,455	-
Lease liability	8,068,539	8,875,393	27,587,680	396,710,493
Bank Overdraft	4,614,150	-	-	-
	130,522,795	110,779,431	207,467,293	396,710,493

The Company has trade and other receivables of **Rs 11,990,475** (2020 – Rs 29,670,348) that are expected to be received within one year and cash in hand and at bank of **Rs 64,946** (2020 – Rs 263,849). These will be used to partly finance the liabilities for less than one year. The Company would also have recourse to its parent to finance for any shortage of fund.

Notes to the Financial Statements

For the year ended March 31, 2021

(Expressed in Mauritian Rupees)

	2021 Financial assets at at amortised cost	2020 Loans and Receivables
Financial assets		
Cash in hand and at bank	64,946	263,849
Trade and other receivables	11,990,476	29,670,348
Total assets	12,055,422	29,934,197

(Expressed in Mauritian Rupees)

	2021 Financial liabilities at at amortised cost	2020 Financial liabilities at amortised cost
Financial liabilities		
Borrowings	496,454,219	479,005,712
Trade and other payables	33,662,199	52,923,717
Bank overdraft	29,299,276	4,614,150
Total liabilities	559,415,694	536,543,579

(b) Fair values of financial instruments

The management assessed that the fair values of trade and other receivables, cash and cash equivalents and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying value of the leases, which bears interest at a fixed rate, is not significantly different from its fair value.

The carrying amount and the fair value of the Company's bank borrowings are given below:

	March 31, 2021 Carrying value	March 31, 2021 Fair value	March 31, 2020 Carrying value	March 31, 2020 Fair value
Bank borrowings	318,100,000	284,216,739	310,500,000	281,820,696

The fair value of the loan are determined by using the DCF method using a discount rate of 3.25% (2020: 4.85%) that reflect the issuer's borrowing rate as at end of the reporting period.

At March 31, 2021, the Company did not have any assets or liabilities that were carried at fair value or were subject to revaluation.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust dividend payments to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' shown in the statement of financial position plus net debt. The gearing ratios at March 31, 2021 and 2020 were as follows:

Notes to the Financial Statements

For the year ended March 31, 2021

	(Expressed in Mauritian Rupees)	
	2021	2020
Total borrowings	496,454,219	479,005,712
Less: Cash in hand and at bank	(64,946)	(263,849)
Add: Bank overdraft	29,299,276	4,614,150
Net debt	525,688,549	483,356,013
Total Equity	(88,158,426)	(16,738,532)
Total Capital	437,530,123	466,617,481
Gearing ratio	100%	100%

The increase in the gearing ratio is mainly due to the recognition of the Company's leasehold land as a lease liability under borrowings as from April 1, 2019, following the adoption of IFRS 16. As per the agreement with the bank, the debt/equity ratio of the Company should be gradually reduced to at most 2:1.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is based on the invoiced value net of Value Added Tax and discounts and recognised at a point in time when control of the goods are transferred to the customer.

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
<i>Revenue from customers:</i>		
Flight catering	12,218,433	245,327,034
Outdoor catering	6,832,000	-
Lounge	64,000	6,072,000
	19,114,433	251,399,034

6 OPERATING LOSS

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
The following items have been charged in arriving at the operating profit:		
Wage assistance scheme	(23,442,366)	-
Profit on disposal	(264,833)	-
Depreciation of property, plant and equipment (Note 11):		
- Owned assets	18,412,701	18,367,234
- Leased assets	508,986	2,085,948
Depreciation of right-of-use assets (Note 12)	5,847,578	5,863,598
Audit fees	742,100	877,000
Cost of inventories expensed (Note 13)	15,628,870	111,835,959
Staff costs (Note 7)	33,816,356	65,614,282
Transportation costs	1,811,690	4,100,650
Utilities	3,536,157	17,140,212
Repairs and maintenance	4,440,121	4,660,651
Retirement benefits expenses (Note 20(c))	1,130,000	1,391,000

7 STAFF COSTS

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Wages and salaries	31,640,921	62,839,099
Social security costs	2,175,435	2,775,183
	33,816,356	65,614,282
	Number	Number
Average number of employees	140	224

Notes to the Financial Statements

For the year ended March 31, 2021

8 FINANCE COSTS

(Expressed in Mauritian Rupees)		
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Income:		
Unrealised foreign exchange gains		-
Realised foreign exchange gains	579,905	590,072
	579,905	590,072
(ii) Costs:		
Interest on bank borrowings	(11,254,301)	(15,746,289)
Interest and finance charges for lease liabilities (Note 19(b))	(11,595,789)	(11,466,190)
Realised foreign exchange losses	(191,569)	(855,019)
	(23,041,659)	(28,067,498)
Net finance costs	(22,461,754)	(27,477,426)

9 TAXATION

The Company is liable to income tax at 15% (2020 - 15%) and Corporate Social Responsibility tax of 2% (2020 - 2%) on its chargeable income. At March 31, 2021, the Company had accumulated tax losses of **Rs 137,389,908** (2020 - Rs 106,500,774) and was therefore not liable to income tax.

A reconciliation between the actual tax charge of the Company and the theoretical amount that would arise using the applicable income tax rate of 17% (2020 - 17%) follows:

(Expressed in Mauritian Rupees)		
	Year ended March 31, 2021	Year ended March 31, 2020
Loss before income tax	(70,142,790)	(28,070,364)
Tax at 17% (2020- 17%)	(11,924,274)	(4,771,962)
Impact of:		
Deferred tax asset not recognised	4,941,018	(11,601,066)
Tax loss utilised	6,983,256	16,373,028
Deferred tax assets recognised	1,693,104	(9,425,096)
Actual tax expense/ (credit)	1,693,104	(9,425,096)

The components of income tax for the years ended March 31, 2021 and 2020 are as follows:

Recognised in profit or loss

(Expressed in Mauritian Rupees)		
	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax expense/ (credit) (Note 10)	1,693,104	(9,425,096)

The tax losses are available for set off against future taxable profits as follows:

(Expressed in Mauritian Rupees)		
	Tax losses 2021	Tax losses 2020
Up to year ending		
March 31, 2021	-	10,188,842
March 31, 2026	96,311,932	96,311,932
March 31, 2027	41,077,976	-
Total	137,389,908	106,500,774

10 DEFERRED TAX

(Expressed in Mauritian Rupees)		
	2021	2020
At April 1	(21,299,959)	(11,874,863)
Deferred tax expense/ (credit) recognised in profit or loss (Note 9)	1,693,104	(9,425,096)
At March 31	(19,606,855)	(21,299,959)

At March 31, 2021, in accordance with the Company's accounting policy, a deferred tax asset of **Rs 19,606,855** (2020 - Rs 21,299,959) has been recognised as there is probability that future taxable profits will be available to utilise these accumulated tax losses.

Notes to the Financial Statements

For the year ended March 31, 2021

The recognised deferred tax balance relates to the following:

	(Expressed in Mauritian Rupees)			
	Statement of financial position		Statement of comprehensive income	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Tax loss utilised	19,606,855	18,437,911	1,168,944	16,898,127
Excess of depreciation over capital allowance	-	2,862,048	(2,862,048)	(7,473,031)
Deferred tax (expense)/ credit	-	-	(1,693,104)	9,425,096
Net deferred tax assets	19,606,855	21,299,959		

A deferred tax asset of **Rs 68,124,724** (2020 – Rs 56,643,146) has not been recognised as there is uncertainty that future taxable profits will be available to utilise these temporary differences.

The unrecognised deferred tax balance is attributable to the following:

	(Expressed in Mauritian Rupees)	
	2021	2020
Tax loss unutilised	3,749,429	-
Exchange differences	147,424	147,424
Excess of depreciation over capital allowance	60,352,328	54,326,205
Retirement benefits costs	742,730	621,350
Lease liabilities	3,132,813	1,548,167
	68,124,724	56,643,146

The movement in unrecognised deferred tax assets is as follows:

	(Expressed in Mauritian Rupees)					Total
	Tax loss unutilised	Exchange differences	Excess of depreciation over capital allowance	Retirement benefits costs	Lease liabilities	
At April 1, 2019	-	147,423	60,217,577	470,560	-	60,834,590
Credit to income statement	(16,898,127)	-	7,473,031	-	-	(9,425,096)
Movement during the year	(16,898,127)	(971)	(13,364,403)	150,790	1,548,167	5,233,652
At March 31, 2020	-	147,424	54,326,205	621,350	1,548,167	56,643,146
Credit to income statement	(1,168,944)	-	2,862,048	-	-	1,693,104
Movement during the year	4,918,373	-	3,164,075	121,380	1,584,646	9,788,474
At March 31, 2021	3,749,429	147,424	60,352,328	742,730	3,132,813	68,124,724

11 PROPERTY, PLANT AND EQUIPMENT

	(Expressed in Mauritian Rupees)				
	Buildings on leasehold land	Furniture, fittings & other equipment	Office equipment	Motor vehicles	Total
Cost:					
At April 1, 2019	350,629,179	337,390,161	4,317,160	47,179,365	739,515,865
Additions	487,092	4,157	54,125	-	545,374
At March 31, 2020	351,116,271	337,394,318	4,371,285	47,179,365	740,061,239
Disposal	-	-	-	(634,854)	(634,854)
At March 31, 2021	351,116,271	337,394,318	4,371,285	46,544,511	739,426,385
Accumulated depreciation:					
At 01 April 01, 2019	(100,634,438)	(265,833,144)	(4,317,160)	(44,229,728)	(415,014,470)
Charge for the year	(11,685,726)	(6,604,419)	(10,668)	(2,152,369)	(20,453,182)
At March 31, 2020	(112,320,164)	(272,437,563)	(4,327,828)	(46,382,097)	(435,467,652)
Charge for the year	(11,692,172)	(6,582,203)	(17,861)	(629,451)	(18,921,687)
Disposal	-	-	-	467,037	467,037
At March 31, 2021	(124,012,336)	(279,019,766)	(4,345,689)	(46,544,511)	(453,922,302)
Carrying value:					
At March 31, 2021	227,103,935	58,374,552	25,596	-	285,504,083
At March 31, 2020	238,796,107	64,956,755	43,457	797,268	304,593,587

The buildings on leasehold land have been secured with a fixed charge against the borrowings of MUR 310,500,000 (2020 - MUR 333,000,000) contracted from the State Bank of Mauritius Ltd. Details on borrowings are disclosed in Note 19.

Notes to the Financial Statements

For the year ended March 31, 2021

Leased vehicles

	(Expressed in Mauritian Rupees)	
	2021	2020
Cost	10,429,743	10,429,743
Accumulated depreciation	(10,261,927)	(9,752,941)
Disposal at net book value	(167,816)	-
	676,802	

Management has determined that the property, plant and equipment ("PPE") does not require any impairment given that the majority of its PPE is made up of property, the value of which is not expected to decrease significantly due to continual maintenance of the property and that the plant and machinery used by the Company are in good working conditions. Even though this is not a priority of management, any of the plant and machinery could easily be transferred to other companies within the group with minimal costs/losses being incurred by the Company.

12 RIGHT-OF-USE ASSETS

	(Expressed in Mauritian Rupees)	
	2021	2020
Leasehold land		
Balance at April 1	157,548,161	163,411,759
Depreciation charge for the year	(5,847,578)	(5,863,598)
Balance at March 31	151,700,583	157,548,161

13 INVENTORIES

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Food and beverage, at cost	2,066,503	4,034,947
Other consumables, at cost	2,177,689	1,799,451
	4,244,192	5,834,398

The cost of inventories recognised as expense and included in cost of sales amounted to **Rs 15,628,870** (2020 - Rs 111,853,959).

14 TRADE AND OTHER RECEIVABLES

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables	8,513,300	26,852,533
Prepayments	562,543	2,189,602
Taxes receivable	1,952,591	2,116,904
Other receivables	3,477,175	2,817,815
	14,505,609	33,976,854

The other classes within trade and other receivables do not contain impaired assets.

Impairment and risk exposure

Information about the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk can be found in note 4.

15 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balance sheet amounts:

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 20210
Cash in hand and at bank	64,946	263,849
Bank overdraft	(29,299,276)	(4,614,150)
	(29,234,330)	(4,350,301)

In 2016, the Company was granted an overdraft facility of Rs 25,000,000. The overdraft facility has been renewed until May 31, 2020, secured against the following:

- 1st rank floating charge for Rs 25,000,000 on all assets of the Company
- Corporate guarantee of Rs 25,000,000 given by the Company's shareholder.

Notes to the Financial Statements

For the year ended March 31, 2021

During the year ended 31 March 2021, the overdraft facility was extended to Rs 32,500,000. As at reporting date, the bank overdraft bore interest of SBM PLR plus 2.25% per annum. The effective interest rate for the year under review was **6.50%** (2020: 7.40%).

16 SHARE CAPITAL

	(Expressed in Mauritian Rupees)			
	2021	2020	2021	2020
Issued and fully paid:				
At April 1	69,044,006	69,044,006	690,440,060	690,440,066
Adjustment to stated capital	-	-	-	(6)
At March 31	69,044,006	69,044,006	690,440,060	690,440,060

The ordinary shares have been issued at Rs 10 each.

Rights and restrictions attached to ordinary shares:

- Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.
- Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.
- Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the Company.

During the year ended March 31, 2020, the stated capital was amended to reflect the number of shares issued at par value, amounting to **Rs 690,440,060** for 69,044,006 shares at Rs 10 each.

17 OTHER RESERVES

	(Expressed in Mauritian Rupees)	
	2021	2020
At April 1	849,000	476,000
Remeasurement of post-employment benefits obligations (Note 20(d))	416,000	373,000
At March 31	1,265,000	849,000

Other reserves represent actuarial losses arising from the remeasurement of post-employment benefit obligations as at March 31, 2021, as disclosed in Note 20(d).

18 TRADE AND OTHER PAYABLES

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Trade payables	19,606,384	36,690,199
Accruals	14,169,930	16,233,518
Social security and other taxes	(114,115)	56,761
	33,662,199	52,980,478

19 BORROWINGS

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Non-current:		
Bank borrowings (Note 19(a))	220,000,000	260,500,000
Lease liabilities (Note 19(b))	170,387,272	167,810,854
	390,387,272	428,310,854

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Current:		
Bank borrowings (Note 19(a))	98,100,000	50,000,000
Lease liabilities (Note 19(b))	7,966,947	694,858
	106,066,947	50,694,858
Total borrowings	496,454,219	479,005,712

Notes to the Financial Statements

For the year ended March 31, 2021

(a) Bank borrowings

(Expressed in Mauritian Rupees)		
	As at March 31, 2021	As at March 31, 2020
Less than one year	98,100,000	50,000,000
Later than 1 year and no later than 5 years	220,000,000	260,500,000
Later than 5 years	-	-
	318,100,000	310,500,000

(Expressed in Mauritian Rupees)		
	As at March 31, 2021	As at March 31, 2020
Current	98,100,000	50,000,000
Non-current	220,000,000	260,500,000
	318,100,000	310,500,000

The principal amount of Rs 318,100,000 is repayable as follows:

- Payment of MUR 7,600,000 on April 30, 2021;
- Payment of MUR 49,250,000 on June 30, 2021; and
- Remaining amount to be repaid in 19 quarterly instalments of MUR 13,750,000 effective September 30, 2021, with last instalment falling due on March 31, 2026.

Per the loan agreement, the Company is entitled to a principal amount of loan of Rs 310,500,000 and a short term loan equivalent to Rs 7,600,000 or accrued interest on the principal amount of the loan, for the period from 01 April 2020 to 31 December 2020, whichever is lower. At March 31, 2021, the Rs 7,600,000 was capitalised as part of the principal amount of the loan. Interest is charged on daily balances at 1% below the SBM Prime Lending Rate of 4.25 % (2020 – 4.85%), with a minimum of 3.25% per annum.

Interest is payable on a monthly basis. During the year ended March 31, 2021, the Company paid interest of **Rs 11,254,301** (2020 – Rs 15,746,289) on the bank borrowings.

The borrowings of **Rs 318,100,000** as at March 31, 2021 are secured as follows:

- (a) Fixed charge on the building constructed on leasehold land.
- (b) Floating charge on all assets of the Company.
- (c) Assignment of the leasehold rights on the leasehold land.
- (d) A corporate bank guarantee of **Rs 340,000,000** from EIH Limited.
- (e) Letter of undertaking from EIH Limited:
 - (i) To inject an amount of **Rs 50,000,000** as shareholder's equity by June 30, 2021;
 - (ii) Additional shareholder equity as required during the financial year 2021-2022, ending March 31, 2022 so as to match all loan instalments falling due at the bank;
 - (iii) Thereafter, to inject adequate funds to cater for any shortfall in the cash flow of the borrower so that it can repay its banking facilities on the agreed terms and conditions.

The carrying amount of the bank borrowings approximates the fair value, as the impact of discounting is not significant as the loan terms are at market rates. Borrowings are within the level 2 hierarchy.

(b) Lease liabilities

(Expressed in Mauritian Rupees)			
	Leasehold land	Motor vehicles	Total
At April 1, 2019	-	3,094,204	3,094,204
Additions	163,411,759	-	163,411,759
Interest expense	11,311,803	154,387	11,466,190
Payments	(8,068,539)	(1,397,902)	(9,466,441)
At March 31, 2020	166,655,023	1,850,689	168,505,712
Interest expense	11,542,413	53,376	11,595,789
Payments	(561,249)	(1,186,033)	(1,747,282)
At March 31, 2021	177,636,187	718,032	178,354,219

Notes to the Financial Statements

For the year ended March 31, 2021

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Current	7,966,947	694,858
Non-current	170,387,272	167,810,854
	178,354,219	168,505,712

Lease arrangements for leasehold land relate to a land area where the operations of the Company are carried out. The Lease agreement covers a period of 20 years and may be renewed for two additional periods of ten years, subject to terms and conditions which may be agreed between the Lessor and the Lessee. The rent charge at the start of the lease in April 2007 was Rs 27.11 per square metre per month, over a total surface of 14,000 square metres, and is subject to an increase of 10% every 2 years. The rent charge was revised to Rs 48.02 per square metre as at April 2019. The lease is non-cancellable from the standpoint of the lessee.

Lease arrangements for motor vehicles relate to the following:

- Two high-loaders; and
- One catering champ and 2 panel van.

During the year ended March 31, 2021, the two high-loaders have been fully depreciated and 1 panel van disposed of. The average remaining life of the catering champ is 7 months and 31 months for the panel van.

The statement of comprehensive income shows the following amounts relating to leases:

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge of right-of-use assets (included in administrative expenses) (Note 12)	5,847,578	5,863,598
Interest on lease liabilities (included in finance costs) (Note 8)	11,595,789	11,466,190

The statement of cash flows show the following amounts relating to leases:

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Total cash outflow for leases	1,747,282	9,466,441

20 RETIREMENT BENEFITS OBLIGATIONS

	(Expressed in Mauritian Rupees)	
	As at March 31, 2021	As at March 31, 2020
Non-current:		
Retirement benefits obligations	4,369,000	3,655,000

The Company has recognised a net benefit liability of **Rs 4,369,000** (2020 - Rs 3,655,000) in its statement of financial position as at March 31, 2021 in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Employment Rights Act 2008.

The Company is subject to an unfunded defined benefit plan for the employees. The plan exposes the Company to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

Notes to the Financial Statements

For the year ended March 31, 2021

(a) A reconciliation of net defined benefit liability follows:

	(Expressed in Mauritian Rupees)	
	2021	2020
At April 1	3,655,000	2,768,000
Amount recognised in Profit or Loss for current year	1,130,000	1,391,000
Amount recognised in Other Comprehensive Income	(416,000)	(373,000)
Employer contributions	-	(131,000)
At March 31	4,369,000	3,655,000

(b) A reconciliation of present value of defined benefit obligation follows:

	(Expressed in Mauritian Rupees)	
	2021	2020
At April 1	3,655,000	2,768,000
Current service cost	554,000	372,000
Interest expense	194,000	162,000
Past service cost	382,000	857,000
Other benefits paid	-	(131,000)
Liability experience gain	(408,000)	(310,000)
Liability gain due to change in financial assumptions	(8,000)	(63,000)
At March 31	4,369,000	3,655,000

(c) Components of amount recognised in Profit & Loss:

	(Expressed in Mauritian Rupees)	
	2021	2020
Current service cost	554,000	372,000
Past service cost	382,000	857,000
	936,000	1,229,000
Net interest expense on net defined benefit liability	194,000	162,000
	1,130,000	1,391,000

(d) Components of amount recognised in Other Comprehensive Income:

	(Expressed in Mauritian Rupees)	
	2021	2020
Liability experience gain	(408,000)	(310,000)
Liability gain due to change in financial assumptions	(8,000)	(63,000)
	(416,000)	(373,000)

Principal assumptions used at end of the year:

	(Expressed in Mauritian Rupees)	
	2021	2020
Discount rate	2.9%	5.3%
Rate of salary increases	0.2%	2.6%
Average retirement age	65	65

Sensitivity analysis on defined benefits obligations at end of the reporting period:

	(Expressed in Mauritian Rupees)	
	2021	2020
Increase due to 1% decrease in discount rate	954,000	774,000
Decrease due to 1% increase in discount rate	755,000	619,000

The above sensitivity analysis has been carried out by recalculating the present value of the obligation at March 31, 2021 after increasing or decreasing the discount while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown similar variations in the defined benefits obligations.

Notes to the Financial Statements

For the year ended March 31, 2021

Future cash flows:

The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.

	(Expressed in Mauritian Rupees)	
	2021	2020
Expected employer contribution for the next year	-	-
Weighted average duration of the defined benefits obligations	20 years	19 years

21 CONTINGENT LIABILITIES

Bank guarantees

At March 31, 2021, there were contingent liabilities in respect of guarantees given in the ordinary course of business from which it is anticipated that no material liabilities will arise. At March 31, 2021, Expatriate Guarantee amounted to Nil (2020 - Rs 100,000), Govt Guarantee amounted to Nil (2020 - Rs 11,000,000) and Custom guarantee amounted to Rs 5,000,000 (2020 - Nil).

22 INCORPORATION, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Company is incorporated in Mauritius under the Companies Act 2001 on January 3, 2007 as a private company with limited liability. The Company's registered office is at The Oberoi Mauritius, Baie aux Tortues, Pointe aux Piments, Mauritius. Its main business operations are opposite Airport Police Station, Plaine Magnien, Mauritius.

23 RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of EIH Limited, a company incorporated in India. Oberoi Hotels Private Limited is a company in which key management personnel of immediate parent have significant influence.

The following transactions were carried out with related parties:

- (a) Remuneration of key management personnel

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries	1,586,592	3,487,500
Other short term employee benefits	520,000	600,000
	2,106,592	4,087,500

Key management personnel include the General Manager, Chief Accountant and Deputy Operations Manager.

- (b) Fees paid to management entity of the Company

	(Expressed in Mauritian Rupees)	
	Year ended March 31, 2021	Year ended March 31, 2020
Ocorian Corporate Administrators Limited	-	-
Fees paid during the year	687,309	581,042

- (c) Directors' fees

The Directors, being the representatives of the holding company, are not entitled to any fees as the Company does not have a remuneration policy in place for its Directors, except for Mrs Risha Ranlaul-Sookun who is a representative of Ocorian Corporate Administrators Limited ('Ocorian'). Ocorian is paid a fee for procurement of Director, company secretarial services and accounting services provided to the Company.

24 IMMEDIATE AND ULTIMATE PARENT

The directors consider EIH Limited, a company incorporated in India, as its immediate and ultimate parent.

Notes to the Financial Statements

For the year ended March 31, 2021

25 NOTES TO STATEMENT OF CASH FLOWS

Net debt reconciliation

The table below details changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

(Expressed in Mauritian Rupees)

	April 1, 2020	Cash changes		Non-cash changes		March 31, 2021
		Cash flows	Interest paid	Interest expense	Recognition of lease liability	
Bank overdraft/(Net cash)	4,350,301	24,884,029	-	-	-	29,234,330
Liabilities arising from financing activities:						
Bank borrowings	310,500,000	7,600,000	(11,254,301)	11,254,301	-	318,100,000
Finance lease commitments	1,850,689	(1,132,657)	(53,376)	53,376	-	718,032
Lease liability	166,655,023	(561,249)	-	11,542,413	-	177,636,187
	483,356,013	30,790,123	(11,307,677)	22,850,090	-	523,688,549

(Expressed in Mauritian Rupees)

	April 1, 2019	Cash changes		Non-cash changes		March 31, 2020
		Cash flows	Interest paid	Interest expense	Loan modification loss	
Bank overdraft/(Net cash)	(3,176,416)	7,526,717	-	-	-	4,350,301
Liabilities arising from financing activities:						
Bank borrowings	333,000,000	(22,500,000)	(15,746,289)	15,746,289	-	310,500,000
Finance lease commitments	3,094,204	(1,243,515)	(154,387)	154,387	-	1,850,689
Lease liability	-	(8,068,539)	-	11,311,803	163,411,759	166,655,023
	332,917,788	(24,285,337)	(15,900,676)	27,212,479	163,411,759	483,356,013

26 EVENTS AFTER REPORTING DATE

There are no material events after the reporting date which requires amendments to or additional disclosures in the financial statements for the year ended March 31, 2021.

EIH International Ltd

BOARD

Mr. P. R. S. Oberoi
Mr. Deepak Madhok
Mr. Pathmanaban Selvadurai
Mr. Sudipto Sarkar

AUDITORS

Ernst & Young
Ernst & Young Building
121, King William Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

Commerce House
Romasco Place, Wickhams Cay 1,
Road Town, Tortola,
British Virgin Islands

Directors' Report

DIRECTORS

The directors have pleasure in submitting the Statement of Financial Position of EIH International Ltd and its controlled entities (the 'Group') as at 31 March 2021, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended and report as follows:

The names of the directors in office at the date of this report are:

P R S Oberoi
Deepak Madhok
P Selvadurai
Sudipto Sarkar

PRINCIPAL ACTIVITY

The principal activity of the Group during the course of the year was investment and management. There were no significant changes in activities of the Group during the year.

RESULTS

The net loss for the year was \$8,419,470 (2020: loss of \$2,320,095) for the Group and a profit of \$157,894 (2020: \$1,197,282) for the Company, after provision for income tax benefit of \$38,753 (2020: Benefit of \$165,120) for the Group and \$nil (2020: \$nil) for the Company.

EVENTS AFTER THE BALANCE DATE

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

Date: April 23, 2021

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group's operations are not regulated by any significant environmental regulation.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The operations of the company have been impacted by the outbreak of Novel Coronavirus (COVID-19), with the operations of hotels impacted by the restrictions in place in each jurisdiction. The company continues to monitor the ongoing COVID-19 outbreak and its impact on hotel occupancy rates.

DIVIDENDS

During the year a dividend totalling \$nil (2020: \$1,000,000) was declared and paid.

DIRECTORS' REMUNERATION

No director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements or the fixed salary of a full-time employee of the Group or a related body corporate, by reason of a contract made by the Group or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

AUDITORS INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

This report has been made in accordance with a resolution of directors.

Deepak Madhok
Director

Independent Auditor's Report

To the Directors of EIH International Ltd

Opinion

We have audited the financial report of EIH International Ltd (the Company) and its subsidiaries (collectively the Group), which comprises:

- the Group consolidated and Company statements of financial position as at 31 March 2021;
- the Group consolidated and Company statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- notes to the financial statements, including a summary of significant accounting policies; and
- the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company and the Group as at 31 March 2021, and their financial performance and their cash flows for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

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

whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young
Adelaide

April 23, 2021

Statement of Comprehensive Income

For the year ended March 31, 2021

	Note	Consolidated		Expressed in United States Dollars (\$)	
		Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations					
Turnover	3	1,087,230	10,001,381	256,826	1,286,163
Cost of sales		-	(666,065)	-	-
Gross profit		1,087,230	9,335,316	256,826	1,286,163
Operating Expenses					
Other operating expenses		152,609	1,447,034	-	-
Payroll and related expenses		1,676,669	2,600,383	-	-
Administration and general expenses		1,274,248	2,582,983	98,423	88,421
Marketing expenses		98,564	527,491	-	-
Upkeep and service cost		376,569	1,295,692	-	-
Project development expenses		8,389	11,713	-	-
Provision for furniture, fixture and equipment		-	227,548	-	-
Other expenses		31,534	34,354	509	460
Depreciation and amortisation		1,514,654	1,528,927	-	-
Total Operating Expenses		5,133,236	10,256,125	98,932	88,881
Other Income/(Expense)					
Interest expense		(127,611)	(93,549)	-	-
Share of profit/(loss) of investments accounted for using the equity method		(5,659,429)	(2,077,888)	-	-
Loan Forgiveness		-	-	-	-
Impairment of Investment/Receivables		-	-	-	-
Other income/(expense)		1,374,823	607,031	-	-
Loss on disposal of fixed assets		-	-	-	-
Total Other Income/(Expense)		(4,412,217)	(1,564,406)	-	-
Profit/(loss) before taxation		(8,458,223)	(2,485,215)	157,894	1,197,282
Taxation (expense)/benefit	4	38,753	165,120	-	-
Profit/(loss) after taxation		(8,419,470)	(2,320,095)	157,894	1,197,282
Profit/(Loss) for the year is attributable to:					
Owners of the parent		(7,768,575)	(2,315,375)	157,894	1,197,282
Non-controlling interest		(650,895)	(4,720)	-	-
		(8,419,470)	(2,320,095)	157,894	1,197,282
Other comprehensive income/(loss)					
Profit/(loss) after taxation		(8,419,470)	(2,320,095)	157,894	1,197,282
Share of other comprehensive income/(loss) of Investments accounted for using the equity method		20,329	11,856	-	-
Re-measurement of employee benefits		8,806	9,446	-	-
Movement in foreign currency translation reserve		717,472	(861,665)	-	-
Total comprehensive income		(7,672,863)	(3,160,458)	157,894	1,197,282
Total comprehensive income/(loss) for the year is attributable to:					
Owners of the parent		(7,168,600)	(2,982,695)	157,894	1,197,282
Non-controlling interest		(504,263)	(177,763)	-	-
		(7,672,863)	(3,160,458)	157,894	1,197,282

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at March 31, 2021

		Expressed in United States Dollars (\$)			
		Consolidated		Parent	
	Notes	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Non-Current Assets					
Property, plant and equipment	7	14,225,876	13,792,032	-	-
Intangibles assets	8	58,038,758	58,948,758	-	-
Deferred tax assets	4	535,873	537,029	-	-
Financial					
Amount due from related parties		7,188,248	6,799,224	4,537,259	4,280,433
Other assets		8,690	8,570	-	-
Non-Financial					
Investments	6	23,810,879	29,499,979	94,675,214	94,675,214
Other assets		408,427	260,549	-	-
Total Non-Current Assets		104,216,751	109,796,141	99,212,473	98,955,647
Current Assets					
Inventories		245,967	243,358	-	-
Financial					
Cash and cash equivalents	10	4,761,416	7,373,065	3,479,946	3,759,965
Receivable	11	302,304	291,216	-	-
Amount due from related parties	9	32,945	-	-	-
Non-Financial					
Other assets		233,057	368,802	-	-
Total Current Assets		5,575,689	8,276,441	3,479,946	3,759,965
Total Assets		109,792,440	118,072,582	102,692,419	102,715,612
Current Liabilities					
Financial					
Trade and other payables		2,102,232	2,663,910	60,000	60,000
Lease Liability	12	299,037	98,073	-	-
Non-Financial					
Provision for taxation		25,007	71,202	-	-
Total Current Liabilities		2,426,276	2,833,185	60,000	60,000
Non-Current Liabilities					
Deferred tax liabilities		-	2,569	-	-
Employee benefits liabilities	13	805,784	912,778	-	-
Financial					
Amounts due to related parties		3,120,000	3,120,000	-	181,087
Long Term Lease Liability	14	2,520,778	2,611,585	-	-
Total Non-Current Liabilities		6,446,562	6,646,932	-	181,087
Total Liabilities		8,872,838	9,480,117	60,000	241,087
Net Assets		100,919,602	108,592,465	102,632,419	102,474,525
Equity					
Share Capital	15	106,607,800	106,607,800	106,607,800	106,607,800
Retained Earnings		(6,092,833)	1,646,607	(3,975,381)	(4,133,275)
Translation reserve		(1,170,375)	(1,741,215)	-	-
Minority Interest	16	1,575,010	2,079,273	-	-
Total Equity		100,919,602	108,592,465	102,632,419	102,474,525

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended March 31, 2021

Expressed in United States Dollars (\$)

	Consolidated					Total Equity
	Note	Share Capital	Translation Reserve	Retained Earnings	Non-Controlling Interest	
As at April 1, 2020	15	106,607,800	(1,741,215)	1,646,607	2,079,273	108,592,465
Issued during the year		-	-	-	-	
Translation reserve		-	570,840	-	146,632	717,472
Profit for year		-	-	(7,768,575)	(650,895)	(8,419,470)
Other Comprehensive income		-	-	29,135	-	29,135
Minority Interest Adjustment		-	-	-	-	-
Dividend paid		-	-	-	-	-
As at March 31, 2021	15	106,607,800	(1,170,375)	(6,092,833)	1,575,010	100,919,602

	Consolidated					Total Equity
	Note	Share Capital	Translation Reserve	Retained Earnings	Non-Controlling Interest	
As at April 1, 2019	15	106,607,800	(1,448,417)	5,336,504	2,257,036	112,752,923
Issued during the year		-	-	-	-	
Translation reserve		-	(292,798)	-	(173,043)	(465,841)
Profit for year		-	-	(2,315,375)	(4,720)	(2,320,095)
Other Comprehensive income		-	-	(374,522)	-	(374,522)
Minority Interest Adjustment		-	-	-	-	-
Dividend paid		-	-	(1,000,000)	-	(1,000,000)
As at March 31, 2020	15	106,607,800	(1,741,215)	1,646,607	2,079,273	108,592,465

	Parent			
	Note	Share Capital	Retained Earnings	Total Equity
As at April 1, 2020	15	106,607,800	(4,133,275)	102,474,525
Shares issued		-	-	-
Profit for year		-	157,894	157,894
Other Comprehensive income		-	-	-
Dividend paid		-	-	-
As at March 31, 2021	15	106,607,800	(3,975,381)	102,632,419

	Parent			
	Note	Share Capital	Retained Earnings	Total Equity
As at April 1, 2019	15	106,607,800	(4,330,557)	102,277,243
Shares issued		-	-	-
Profit for year		-	1,197,282	1,197,282
Other Comprehensive income		-	-	-
Dividend paid		-	(1,000,000)	(1,000,000)
As at March 31, 2020	15	106,607,800	(4,133,275)	102,474,525

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended March 31, 2021

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities				
Profit/(Loss) before taxation	(8,458,223)	(2,485,215)	157,894	1,197,282
Adjustment for:				
Depreciation	1,512,767	1,528,927	-	-
Share of associates net (profit) / loss	5,659,429	2,077,888	-	-
Interest income	(389,023)	(367,003)	(256,826)	(242,288)
Dividend received	-	(60,570)	-	(1,043,875)
Interest expense	127,611	93,549	-	-
Impact of foreign currency translation	2,064	4,959	-	-
(Increase)/Decrease in assets:				
Decrease/(Increase) in receivables	(40,260)	430,893	-	-
Decrease/(Increase) in inventories	(2,609)	117,932	-	-
Decrease/(Increase) in prepayments	124,803	495,661	-	-
(Decrease)/Increase in liabilities:				
(Decrease)/Increase in payables	(384,904)	(26,609)	-	10,000
(Decrease)/Increase in provision	(591,943)	(150,731)	-	-
Cash generated from/(used by) operations	(2,440,288)	1,659,681	(98,932)	(78,881)
Interest paid	-	-	-	-
Taxes paid	151,750	469,478	-	-
Net cash flows (used by)/from operating activities	(2,592,038)	1,190,203	(98,932)	(78,881)
Cash flows from investing activities				
Dividend received	-	60,570	-	1,043,875
Acquisition of fixed assets	(114,689)	(948,336)	-	-
Purchase of furniture, fixtures and equipment from provision for furniture, fixtures and equipment	112,532	(259,458)	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Payment for acquisition of investments	-	(3,979,000)	-	-
Other non-current assets	-	-	-	-
Interest received	-	-	-	-
Dividend paid to related party	-	(1,000,000)	-	(1,000,000)
Dividend paid to minority interest	-	-	-	-
Net cash flows from/(used by) investing activities	(2,157)	(6,126,224)	-	43,875
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	-	-
Proceeds from related party borrowings	-	-	(181,087)	-
Payment of Principle Portion of Lease liabilities	(17,454)	(72,090)	-	-
Loans to related party	-	-	-	-
Repayment of bank loans	-	-	-	-
Dividend paid	-	-	-	-
Net cash flows from financing activities	(17,454)	(72,090)	(181,087)	-
Net increase/(decrease) in cash and cash equivalents	(2,611,649)	(5,008,111)	(280,019)	(35,006)
Cash and cash equivalents at beginning of year	7,373,065	12,381,176	3,759,965	3,794,471
Effect of exchange rate changes on cash balances	-	-	-	-
Cash and cash equivalents at end of year (Note 10)	4,761,416	7,373,065	3,479,946	3,759,965

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended March 31, 2021

1. Corporate information

The financial report of EIH International Ltd and its controlled entities (the “Group”) for the year ended March 31, 2021 was authorised for issue on April 22, 2021.

EIH International Ltd and its controlled entities is a company limited by shares and incorporated in British Virgin Island. The principal activity of the Group during the course of the year was investment and management. The ultimate parent of the Group is EIH Limited, a company incorporated in India.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report has been prepared in accordance with the requirements of the International Financial Reporting Standards (‘IFRS’).

The financial report has also been prepared on a historical cost basis.

The financial report is presented in United States dollars and all values are rounded to the nearest dollars unless otherwise stated.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(c) Changes in accounting policies and disclosures

Accounting standards issued in the current period or those issued but not yet effective have been considered by management and are not expected to have a material impact on the business.

Remaining accounting policies adopted are consistent with those of the previous financial year.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of EIH International Ltd (the “Company”) and its controlled entities as at 31 March 2021 (the “Group”). The financial information of the controlled entities is prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries are stated at cost less provisions for any permanent diminution in value, with income from subsidiaries being recognised to the extent of dividends received and receivable.

(e) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

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 conditions, the Group’s operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(f) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which

Notes to the Financial Statements

For the year ended March 31, 2021

discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

(g) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into United States dollars at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

On consolidation, exchange differences arising from the translation of the net investment in subsidiaries are taken to the foreign currency translation reserve.

(h) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

(j) Inventories

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

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

(k) Investments

The Group's investments are recorded at fair value through other comprehensive income, as there is no quoted market price in an active market the fair value is estimated to approximate the cost. The Group does not intend to dispose its investment in the near future.

(l) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised

Notes to the Financial Statements

For the year ended March 31, 2021

at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or 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 associate or 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 the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or 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 associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or 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 associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or 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 associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Where the reporting dates of the associates are different to the Group, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's financial statements. The difference between the end of the reporting period of the associate and that of the Group is no more than three months. The associates' accounting policies to those used by the Group for like transactions and events in similar circumstances.

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Land - not depreciated
- Buildings - over 20 years
- Plant and equipment - over 5 to 15 years
- Leased equipment - over 8 to 10 years
- Motor vehicles - over 4 years
- Right-of-Use assets – over 38 years

Rights-of-use assets represent land and will be amortized over the lease terms.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Revaluations of land and buildings

Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit

Notes to the Financial Statements

For the year ended March 31, 2021

or loss, in which case the increment is recognised in profit or loss.

Any revaluation decrement is recognised in profit or loss, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(n) Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. 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, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Management contracts

Management contracts are measured at cost. After initial recognition, management contracts are measured at cost less any accumulated amortisation and impairment losses.

Amortisation of the various management contracts commenced from 1 April 2011 and was determined to be over a 40 year useful life, to be reassessed for reasonableness each period.

(o) Payables

Payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provision and employee benefits

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The

Notes to the Financial Statements

For the year ended March 31, 2021

discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(ii) Post-Employment Benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of "Accrued Expenses" in the statement of financial position.

Effective April 1, 2016, the Company applied PSAK No. 24 (Revised 2013), "Employee Benefits", which superseded PSAK No. 24 (Revised 2010), "Employee Benefits". The Company recognizes its unfunded pension benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 ("the Law") and PSAK No. 24 (Revised 2013), "Employee Benefits".

This PSAK provides, among others, (i) the elimination of the "corridor approach" permitted under the previous version and (ii) significant changes in the recognition, presentation and disclosure of post-employment benefits which, among others, are as follows:

- Actuarial gains and losses are now required to be recognized in other comprehensive income (OCI) and excluded permanently from profit or loss.
- Expected return on plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recognizing interest income (or expense) on the net defined benefit asset (or liability) in profit or loss, which is calculated using the discount rate used to measure the pension obligation.
- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment/curtailment occurs or when the Company recognizes related restructuring or termination costs.
- Such changes are made in order that the net pension assets or liabilities are

recognized in the statement of financial position to reflect the full value of the plan deficit or surplus.

- Further, past service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

(q) Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

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

Notes to the Financial Statements

For the year ended March 31, 2021

- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

(r) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following specific recognition criteria must be met before revenue is recognised:

(i) Rendering of Services

Revenue from management and service fees received as hotel operators and managers for services rendered is recognised by reference to the services being transferred to the customer.

(ii) Sale of Goods

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services

(iii) Interest Income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(t) Leases

The Group recognises right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company's lease accounting is as a lessee since the Company does not have any transactions as a lessor.

At the commencement date of the lease, the Group recognizes 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.

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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease

Notes to the Financial Statements

For the year ended March 31, 2021

term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(u) Key judgements and estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- i) The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. The extent and duration of impacts of COVID 19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID 19

on business, tourism, hotel and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, we estimate a possible scenario of normal business conditions returning gradually in the year 2021. In the following year 2022 it is estimated that the normalcy would return

- ii) Leases - Estimating the incremental borrowing rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3. Turnover

Revenue represents income from hotel operations, management and service fees received as hotel operators and managers for services rendered to hotels, royalty, dividend and interest income.

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Hotel revenues	-	7,584,966	-	-
Hotel management fees	361,669	1,192,498	-	-
Sales and marketing	330,467	723,550	-	-
Royalty	6,071	72,794	-	-
Dividends	-	60,570	-	1,043,875
Interest	389,023	367,003	256,826	242,288
	1,087,230	10,001,381	256,826	1,286,163

4. Taxation

A reconciliation of the tax expense applicable to the profit before tax using the statutory rate to the tax expense at the effective tax rate is as follows:

	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	(8,458,223)	(2,485,215)	157,894	1,197,282
Tax at the statutory tax rate of Nil % (2020: Nil %)	-	-	-	-
Tax rate differential in foreign Countries	(38,753)	(165,120)	-	-
Taxation expense/(benefit)	(38,753)	(165,120)	-	-

Notes to the Financial Statements

For the year ended March 31, 2021

a. Taxes payable consist of the following:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Indonesia:				
Development tax I	6,787	17,733	-	-
Income tax	-	-	-	-
Article 4(2)	-	-	-	-
Article 21	6,669	12,436	-	-
Article 23	4,517	17,037	-	-
Article 25	-	15,761	-	-
Article 26	168	294	-	-
Article 29	-	-	-	-
Value added tax	6,866	7,941	-	-
Withholding tax	-	-	-	-
Total	25,007	71,202	-	-

b. The reconciliation between the income tax expense derived by multiplying the income before income tax multiplied by the applicable tax rate and income tax expense – net as shown in the statement of profit or loss and other comprehensive income is as follows:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Income before income tax	(8,458,223)	(2,485,215)	157,894	1,197,282
Tax expense at the applicable rate	(381,967)	(23,693)	-	-
Utilisation of carry forward tax losses	(90,797)	-	-	-
Unrecognised deferred assets	-	120,075	-	-
Tax effect on permanent differences:	648,121	(232,990)	-	-
Tax effect on changes in the tax rate	(257,506)	-	-	-
Interest income already subjected to final tax	-	(901)	-	-
Non-deductible expenses	64,545	34,132	-	-
Translation adjustments	93,414	(39,174)	-	-
Income tax expense/(benefit)				
Current year	75,810	(142,551)	-	-
Deferred year	-	-	-	-
Prior Year	(114,563)	(22,569)	-	-
Total	(38,753)	(165,120)	-	-

c. Deferred income tax benefit (expense) consists of:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Provision (payment of reserve) for replacement of furniture, fixtures and equipment – net	-	-	-	-
Provision for employee benefits - net	-	-	-	-
Depreciation and amortization - net	-	-	-	-
Translation Adjustments	-	-	-	-
Net	-	-	-	-

d. Deferred tax assets (liabilities) consist of:

Notes to the Financial Statements

For the year ended March 31, 2021

Expressed in United States Dollars (\$)

	Consolidated				
	As at April 1, 2020	Profit or loss	Other comprehensive income	Translation Adj.	As at March 31, 2021
Deferred tax assets					
Employee benefits liability	280,500	(80,953)	(2,424)	-	197,123
Reserve for replacement of furniture, fixtures and equipment	224,472	13,593	-	(316)	237,749
Lease Liability	(40,021)	47,284			7,263
Interest Expense	113,624	(59,533)			54,091
Change in Tax rates	-	-			-
Total deferred tax assets	578,575	(79,609)	(2,424)	(316)	496,226
Deferred tax liabilities					
Depreciation and amortization - net	(32,024)	88,376		-	56,352
Translation adjustments	(9,522)			(7,183)	(16,705)
Net deferred tax assets	537,029	8,767	(2,424)	(7,499)	535,873

	Consolidated				
	As at April 1, 2019	Profit or loss	Other comprehensive income	Translation Adj.	As at March 31, 2020
Deferred tax assets					
Employee benefits liability	210,908	69,105	487	-	280,500
Reserve for replacement of furniture, fixtures and equipment	127,526	96,946	-	-	224,472
Lease Liability	-	(40,021)	-	-	(40,021)
Interest Expense	-	113,624	-	-	113,624
Change in Tax rates	-	-	-	-	-
Total deferred tax assets	338,434	239,654	487	-	578,575
Deferred tax liabilities					
Depreciation and amortization - net	(67,305)	35,281	-	-	(32,024)
Translation adjustments	(20,624)	-	-	11,102	(9,522)
Net deferred tax assets	250,505	274,935	487	11,102	537,029

	Parent				
	As at April 1, 2020	Profit or loss	Other comprehensive income	As at March 31, 2021	
Deferred tax assets					
Employee benefits liability	-	-	-	-	-
Reserve for replacement of furniture, fixtures and equipment	-	-	-	-	-
Total deferred tax assets	-	-	-	-	-
Deferred tax liabilities					
Depreciation and amortization - net	-	-	-	-	-
Net deferred tax assets	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2021

Expressed in United States Dollars (\$)

	Parent			
	As at April 1, 2019	Profit or loss	Other comprehensive income	As at March 31, 2020
Deferred tax assets				
Employee benefits liability	-	-	-	-
Reserve for replacement of furniture, fixtures and equipment	-	-	-	-
Total deferred tax assets	-	-	-	-
Deferred tax liabilities				
Depreciation and amortization - net	-	-	-	-
Net deferred tax assets	-	-	-	-

5. Directors' Remuneration

	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Fees	-	-	-	-
Other emoluments	-	-	-	-
	-	-	-	-

6. Investments

Investments in Subsidiaries

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unlisted shares			89,043,714	89,043,714

Investments in Associates

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Oberoi Mauritius Limited	2,429,648	4,030,489	4,867,500	4,867,500
La Roseraie De L'Atlas SA	16,295,695	20,333,954	-	-
	18,725,343	24,364,443	4,867,500	4,867,500

Other Investments

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Tourism Investment Co. Sal Hasheesh	5,085,536	5,085,536	764,000	764,000
	5,085,536	5,085,536	764,000	764,000

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Total investments	23,810,879	29,449,979	94,675,214	94,675,214

Notes to the Financial Statements

For the year ended March 31, 2021

Details of the subsidiaries are as follows:

Name	Place of incorporation	Percentage of equity attributable to the Company		Principal Activities	Directors
		Directly	Indirectly		
EIH Holdings Ltd	British Virgin Island	100	-	Hotel investment and management	Mr. P. R. S. Oberoi Mr. D. Madhok Mr. P. Selvadurai
PT Widja Putra Karya	Indonesia	21.11	48.89	Hotel ownership	I Wayan Pasek I Made Sutarjana Mr Deepak Madhok
PT Waka Oberoi Indonesia	Indonesia	5.74	90.59	Hotel ownership	I Wayan Pasek I Ketut Siandana Mr Deepak Madhok
EIH Investment N.V (Deregistered 17 th July 2020)	Netherlands Antilles	-	100	Investment and management	Intertrust (Curacao) B.V.
PT Astina Graha Ubud	Indonesia	-	60	Hotel development	I Wayan Pasek Tjokorda Raka Kerthayasa Mr Deepak Madhok

7. Property, Plant and Equipment

Expressed in United States Dollars (\$)

	Consolidated							Total
	Freehold Land	Freehold Buildings	Right of Use Asset	Plant and Equipment	Furniture & Fittings	Motor Vehicles	Project Expenses	
Cost								
At April 1, 2019	5,462,281	5,411,521	-	2,527,033	3,042,073	204,777	1,986,103	18,633,788
Additions	-	555,838	3,104,882	72,187	43,102	56,703	220,506	4,053,218
Transfers	-	576,088	-	-	-	-	(576,088)	-
Disposals	-	-	-	-	-	(28,186)	(94,376)	(122,562)
Foreign Exchange	(50,681)	(852,187)	(405,130)	(338,520)	(400,389)	(21,990)	(54,971)	(2,123,868)
At March 31, 2020	5,411,600	5,691,260	2,699,752	2,260,700	2,684,786	211,304	1,481,174	20,440,576
Additions	-	96,144	-	-	1,028	-	17,517	114,689
Transfers	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(17,400)	(17,400)
Foreign Exchange	41,886	698,778	332,559	278,473	330,684	26,028	43,704	1,752,112
At March 31, 2021	5,453,486	6,486,182	3,032,311	2,539,173	3,016,498	237,332	1,524,995	22,289,977
Depreciation								
At April 1, 2019	-	(2,527,487)	-	(1,878,358)	(2,479,008)	(159,305)	-	(7,044,158)
Depreciation Expense	-	(197,973)	(80,561)	(125,836)	(187,354)	(21,823)	-	(613,547)
Foreign Exchange	-	353,351	11,093	259,850	345,688	10,993	-	980,975
Disposals	-	-	-	-	-	28,186	-	28,186
At March 31, 2020	-	(2,372,109)	(69,468)	(1,744,344)	(2,320,674)	(141,949)	-	(6,648,544)
Depreciation Expense	-	(222,824)	(78,379)	(120,523)	(155,174)	(22,465)	-	(599,365)
Foreign Exchange	-	(291,153)	(8,205)	(214,313)	(285,139)	(17,382)	-	(816,192)
Disposals	-	-	-	-	-	-	-	-
At March 31, 2021	-	(2,886,086)	(156,052)	(2,079,180)	(2,760,987)	(181,796)	-	(8,064,101)

Notes to the Financial Statements

For the year ended March 31, 2021

Expressed in United States Dollars (\$)

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Freehold Land				
At Cost	5,453,486	5,411,600	-	-
Accumulated depreciation	-	-	-	-
	5,453,486	5,411,600	-	-
Freehold Buildings				
At Cost	6,486,182	5,691,260	-	-
Accumulated depreciation	(2,886,086)	(2,372,109)	-	-
	3,600,096	3,319,151	-	-
Right of Use Asset				
At Cost	3,032,311	2,699,752	-	-
Accumulated depreciation	(156,052)	(69,468)	-	-
	2,876,259	2,630,284	-	-
Plant and Equipment				
At Cost	2,539,173	2,260,700	-	-
Accumulated depreciation	(2,079,180)	(1,744,344)	-	-
	459,993	516,356	-	-
Furniture & Fittings				
At Cost	3,016,498	2,684,786	-	-
Accumulated depreciation	(2,760,987)	(2,320,674)	-	-
	255,511	364,112	-	-
Motor Vehicles				
At Cost	237,332	211,304	-	-
Accumulated depreciation	(181,796)	(141,949)	-	-
	55,536	69,355	-	-
Project Expenses	1,524,995	1,481,174	-	-
Total property, plant and equipment, net	14,225,876	13,792,032	-	-
At cost	22,289,977	20,440,576	-	-
Accumulated depreciation	(8,064,101)	(6,648,544)	-	-
Written Down Value	14,225,876	13,792,032	-	-

8. Intangible Assets

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Goodwill	30,738,758	30,738,758	-	-
Management contracts	36,400,000	36,400,000	-	-
Less: accumulated amortisation	(9,100,000)	(8,190,000)	-	-
Management contracts, net	27,300,000	28,210,000	-	-
	58,038,758	58,948,758	-	-

Notes to the Financial Statements

For the year ended March 31, 2021

Impairment testing of goodwill

Goodwill acquired through business combinations is attributed to the hotel ownership, operation and management cash-generating unit (CGU) for impairment testing.

Hotel ownership, operation and management cash-generating unit

In 2021, the recoverable amount of the hotel ownership, operation and management CGU was determined using a value-in-use calculation based on cash flow projections and financial budgets approved by senior management.

The key assumptions used in the value-in-use calculation are the forecast earnings, management fees, sales and marketing fees receivable from the CGU, the discount rate applied to the projected cash flows and the growth rate assumption on the value-in-use calculation.

A range of discount rates were considered and applied to the cash flow projections, from 11% to 12.5% and cash flows beyond the five-year period were projected using a terminal growth rate ranging from 3.0% to 3.5%, which is consistent with the long-term average growth rate of the industry.

None of the scenarios tested resulted in an impairment of the carrying value of the assets of the CGU or the Group's intangible assets.

9. Related Parties

(a) List of Related Parties

In accordance with the requirements of International Accounting Standard (IAS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them in the ordinary course of business and on arms' length basis are given below:

Key Management Personnel of the company	Fellow Subsidiaries
Mr. P.R.S. Oberoi	Mumtaz Hotels Limited
Mr. Deepak Madhok	Mashobra Resort Limited
Mr. Pathmanaban Salvadurai	Oberoi Kerala Hotels and Resorts Limited
Mr. Sudipto Sarkar	EIH Flight Services Limited
Parent Company	Associates & Joint Ventures
EIH Limited	(a) Associates
	La Roseraie De L'atlas
Subsidiaries	(b) Joint Ventures
EIH Holdings Ltd	Oberoi Mauritius Ltd
EIH Investments N.V. (Up to 17 th July 2020)	(c) Subsidiary of Joint Venture
PT Widja Putra Karya	Island Resort Ltd
PT Waka Oberoi Indonesia	
PT Astina Graha Ubud	Associates & Joint Ventures of parent entity
	(a) Associates
	EIH Associated Hotels Limited
	Usmart Education Limited
	(b) Joint Ventures
	Mercury Car Rentals Private Limited

Notes to the Financial Statements

For the year ended March 31, 2021

(b) Transactions with Related Parties for the year ended March 31, 2021

NATURE OF TRANSACTIONS	Expressed in United States Dollars (\$)					
	Parent Company		Fellow Subsidiaries		Associate / Joint Venture	
	2021	2020	2021	2020	2021	2020
PURCHASES						
Purchase of Goods & Services						
EIH Ltd	4,530	23,734	-	-	-	-
EIH Flight Services	-	-	753	1,895	-	-
EIH Associated Hotels Ltd	-	-	-	-	-	560
Island Resorts Ltd	-	-	-	-	5,474	29,478
Total	4,530	23,734	753	1,895	5,474	30,038
SALES						
Sale of Goods and Services						
EIH Ltd	7,287	39,406	-	-	-	-
EIH Flight Services	-	-	-	9,435	-	-
Island Resorts Ltd	-	-	-	-	-	9,169
Total	7,287	39,406	-	9,435	-	9,169
INCOME						
Management Fees						
Island Resorts Ltd	-	-	-	-	-	347,548
La Roseraie De'Atlas	-	-	-	-	14,643	-
Group Sales & Marketing						
Island Resorts Ltd	-	-	-	-	-	180,719
La Roseraie De'Atlas	-	-	-	-	21,963	-
Interest						
Oberoi Mauritius Ltd	-	-	-	-	389,023	367,004
Total	-	-	-	-	425,629	895,271
FINANCE PAYMENTS						
Dividend on Equity Shares						
EIH Ltd	-	1,000,000	-	-	-	-
Investment in Equity Shares						
La Roseraie De'Atlas	-	-	-	-	-	3,979,000
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	389,023	367,004
La Roseraie De'Atlas	-	-	-	-	-	3,979,000
Total	-	1,000,000	-	-	389,023	8,325,004
RECEIPTS						
Investment in Equity Shares						
EIH Ltd	-	-	-	-	-	-
Repayment of Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	-	-
La Roseraie De'Atlas	-	-	-	-	-	3,979,000
Total	-	-	-	-	-	3,979,000

Notes to the Financial Statements

For the year ended March 31, 2021

(c) Outstanding Balances as on March 31, 2021

NATURE OF TRANSACTIONS	Expressed in United States Dollars (\$)					
	Parent Company		Fellow Subsidiaries		Associate / Joint Venture	
	2021	2020	2021	2020	2021	2020
Receivable for Goods & Services						
EIH Ltd	-	1,948	-	-	-	-
Island Resorts Ltd	-	-	-	-	-	-
La Rosaie De'Atlas	-	-	-	-	32,945	-
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	68,72,747	64,83,724
La Rosaie De'Atlas	-	-	-	-	70,500	70,500
Total	-	1,948	-	-	69,76,192	65,54,224
Payable for Goods & Services						
EIH Ltd	2,707	3,286	-	-	-	-
Total	2,707	3,286	-	-	-	-

10. Cash and Cash Equivalents

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Cash at Bank	4,750,401	7,363,259	3,479,946	3,759,965
Cash on hand	11,015	9,806	-	-
	4,761,416	7,373,065	3,479,946	3,759,965

11. Receivables

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade receivables	302,304	291,216	-	-
Other receivables	-	-	-	-
	302,304	291,216	-	-

12. Payables

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Third parties	2,102,232	2,663,910	60,000	60,000
Related parties	-	-	-	-
	2,102,232	2,663,910	60,000	60,000

Notes to the Financial Statements

For the year ended March 31, 2021

13. Long-term Employee Benefits Liability

The Group's long-term employee benefits liability consists only of post-employment benefits.

Employees of the Group relate to subsidiary company operations which are domiciled in Indonesia, as such the post-employment benefits to its employees are based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The components of post-employment benefits expense recognized in the statement of profit or loss and other comprehensive income and post-employment benefits liability recognized in the statement of financial position as determined by PT Lastika Dipa, an independent firm of actuary, in their reports dated March 31, 2021 and April 10, 2020.

The key assumptions used in determining the employee benefits liability are as follows:

	PT Widja Putra Karya	PT Waka Oberoi Indonesia
Discount rate	7.95% in 2021 and 8.73% in 2020	7.82% in 2021 and 8.73% in 2020
Annual salary increase	8.5% in 2021 and 2020	8.00% per annum in 2021 and 2020
Mortality	TMI IV in 2021 and TMI III in 2020	TMI IV in 2021 and TMI III in 2020
Retirement age	57 years in 2021 and 55 years in 2020	57 years old in 2021 and 55 years old in 2020
Disability rate	5% of mortality table TMI IV in 2021 and TMI III in 2020	10% mortality from table TMI IV in 2021 and TMI III in 2020

As of March 31, 2021, if the discount rate is increased/decreased by 1% with all other variables held constant, the employee benefits liability would have been lower/higher by US(\$67,519)/ US\$78,378.

a. Details of post-employment benefits expense:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2021
Past Service Cost	(202,567)	-	-	-
Current service cost	49,588	84,768	-	-
Interest cost	61,634	67,280	-	-
Total post-employee Benefits expense	(91,345)	152,048	-	-

b. Details of post-employment benefits liability:

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2021
Present value of defined Benefits obligation	805,784	912,778	-	-
Unrecognized past service cost - unvested	-	-	-	-
Unrecognized actuarial loss	-	-	-	-
Employee benefit liability	805,784	912,778	-	-

Notes to the Financial Statements

For the year ended March 31, 2021

c. Movements in post-employment benefits liability are as follows:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Beginning balance	912,778	1,045,406	-	-
Provision during the year	(91,345)	152,048	-	-
Payment during the year	(117,208)	(149,711)	-	-
Actuarial loss (gain) from Experience adjustment	(87,863)	(19,661)	-	-
Change in financial assumption	45,196	10,702	-	-
Demographic assumption	41,946	-	-	-
Translation adjustment	102,280	(126,006)	-	-
Employee benefit liability	805,784	912,778	-	-

14. Leases

The Group has entered into lease contracts of land in its operations in Indonesia wherein the lease term is valid from 2019 to 2057. The Group also has certain lease of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognized in statement of profit or loss and other comprehensive income:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of rights-of-use assets included in fixed assets	78,379	80,561	-	-
Interest expense on lease liabilities	127,611	93,549	-	-
Expense related to short-term leases included in administrative expenses	5,943	21,254	-	-
Total	211,933	195,364	-	-

The rollforward analysis of lease liabilities as follows:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
As at April 1	2,709,658	2,688,199	-	-
Additions	-	-	-	-
Interest expense	127,611	93,549	-	-
Payments	(17,454)	(72,090)	-	-
Foreign exchange loss (gain)	-	-	-	-
Total	2,819,815	2,709,658	-	-
Less current maturities portion	(299,037)	(98,073)	-	-
Net of current portion	2,520,778	2,611,585	-	-

Notes to the Financial Statements

For the year ended March 31, 2021

Shown below is the maturity analysis of the undiscounted lease payments:

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2021
1 year	107,385	107,386	-	-
More than 1 years to 2 years	214,771	214,771	-	-
More than 2 years to 3 years	214,771	214,771	-	-
More than 3 years to 4 years	236,248	219,067	-	-
More than 5 years	5,959,068	6,083,636	-	-
Net of current portion	6,732,243	6,839,631	-	-

15. Contributed Equity

Share Capital

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Issued and fully paid: 106,607,800 (2020: 106,607,800) ordinary shares	106,607,800	106,607,800	106,607,800	106,607,800

	Expressed in United States Dollars (\$)			
	Consolidated		Parent	
	Number of Shares	\$	Number of Shares	\$
As at March 31, 2019	106,607,800	106,607,800	106,607,800	106,607,800
Shares issued	-	-	-	-
As at March 31, 2020	106,607,800	106,607,800	106,607,800	106,607,800
Share issued	-	-	-	-
As at March 31, 2021	106,607,800	106,607,800	106,607,800	106,607,800

16. Non-controlling interest

	Consolidated		Parent	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Contributed equity	3,157,881	3,157,881	-
Translation reserve	(976,767)	(1,123,399)	-	-
Dividend paid	-	-	-	-
Retained earnings	44,791	49,511	-	-
Current year profit	(650,895)	(4,720)	-	-
	1,575,010	2,079,273	-	-

17. Financial Risk Management Objectives and Policies

Foreign currency risk

The Group has investments in entities with transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group does not require all its operating units to use forward currency contracts to eliminate the foreign currency exposures on any individual transactions

Notes to the Financial Statements

For the year ended March 31, 2021

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Indonesian Rupiah exchange rate, with all other variables held constant, of the Group's profit before tax.

	Increase/(decrease) in Rupiah rate %	Increase/ (decrease) in profit after tax US\$	Increase/ (decrease) in equity US\$
2021			
If the US dollar weakens against the Rupiah	5	83,853	(63,222)
If the US dollar strengthens against the Rupiah	(5)	(92,680)	69,877
2020			
If the US dollar weakens against the Rupiah	5	21,835	1,17,456
If the US dollar strengthens against the Rupiah	(5)	(21,835)	(1,17,456)

Credit risk

The credit risk of the Company's financial assets arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Company has minimal risk of shortage of funds as its shareholders have agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

The maturity profile of the Company's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

	Expressed in U.S. Dollar (\$)		
	2021		
	On demand	Over 1 year	Total
Trade and other payables	2,102,232	-	2,102,232
Provision for taxation	25,007	-	25,007
Amounts due to related parties	3,120,000	-	3,120,000
	2020		
	On demand	Over 1 year	Total
Trade and other payables	2,663,910	-	2,663,910
Provision for taxation	71,202	-	71,202
Amounts due to related parties	3,120,000	-	3,120,000

Capital management

The Company's primary objective for its own capital management aligns with its management of liquidity risk (see above) and is to safeguard its ability to continue as a going concern, and the Company may issue new shares to maintain or adjust its capital structure.

The Company is not subject to any externally imposed capital requirements and there were no changes in the objectives, policies or processes during the year. Capital of the Company comprises all components of shareholder's equity.

18. Events After Statement of Financial Position Date

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

EIH International Ltd and its controlled entities

Directors' Statement

19. Commitments and Contingencies

There are no other outstanding commitments and contingencies at year end.

In the opinion of the directors:

- (a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the results of the Group for the year ended March 31, 2021;
- (b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Group at March 31, 2021; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of directors.

April 23, 2021

Deepak Madhok

Director

EIH HOLDINGS LTD

BOARD

Mr. P. R. S. Oberoi
Mr. Deepak Madhok
Mr. Pathmanaban Selvadurai

AUDITORS

Ernst & Young
Ernst & Young Building
121, King William Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

Commerce House
Romasco Place, Wickhams Cay 1,
Road Town, Tortola,
British Virgin Islands

Directors' Report

DIRECTORS

The directors have pleasure in submitting the Statement of Financial Position of EIH Holdings Ltd (the 'Company') as at 31 March 2021, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended and report as follows:

The names of the directors in office at the date of this report are:

P R S Oberoi
Deepak Madhok
Pathmanaban Selvadurai

The Directors were in office for the entire year unless otherwise stated.

PRINCIPAL ACTIVITY

The principal activity of the Company during the course of the year was investment and management.

RESULT

The net loss for the year was \$293,965 (2020: profit of \$632,416) after provision for income tax expense of \$17,897 (2020: \$170,383).

EVENTS AFTER THE BALANCE DATE

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Company's operations are not regulated by any significant environmental regulation.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The operations of the company have been impacted by the outbreak of Novel Coronavirus (COVID-19), with the operations of hotels impacted by the restrictions in place in each jurisdiction. The company continues to monitor the ongoing COVID-19 outbreak and its impact on hotel occupancy rates.

DIVIDENDS

During the year, no dividend (2020: \$1,000,000) was declared and paid.

DIRECTORS' REMUNERATION

No director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements or the fixed salary of a full-time employee of the Company or a related body corporate, by reason of a contract made by the Company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

AUDITOR'S INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

This report has been made in accordance with a resolution of directors.

April 19, 2021

Deepak Madhok
Director

Independent Auditor's Report

To the Members of EIH Holding Ltd

Opinion

We have audited the financial report of EIH Holdings Ltd (the Company), which comprises the statement of financial position as at March 31, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist the directors of EIH Holdings Ltd to meet their financial reporting requirements. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the members of EIH Holdings Ltd and should not be distributed to parties other than the members.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young
Adelaide

April 19, 2021

Statement of Comprehensive Income

For the year ended March 31, 2021

	Notes	Expressed in United States dollars (\$)	
		Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations			
Turnover	3	830,404	2,466,327
Cost of sales		-	-
Gross profit		830,404	2,466,327
Operating Expenses			
Administration and general expenses		1,096,019	1,319,555
Project development expenses		8,389	11,713
Total Operating Expenses		1,104,408	1,331,268
Other Income/(Expense)			
Other income/(expense)		(2,064)	(1,843)
Impairment of Investments/Receivables		-	(330,417)
Total Other Income/(Expense)		(2,064)	(332,260)
Profit/(loss) before taxation	4	(276,068)	802,799
Taxation	5	(17,897)	(170,383)
Profit/(loss)after taxation		(293,965)	632,416
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income/(loss)		(293,965)	632,416

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at March 31, 2021

	Notes	Expressed in United States dollars (\$)	
		As at March 31, 2021	As at March 31, 2020
Non-Current Assets			
Investments	7	44,631,099	44,631,099
Amount due from related parties	8	2,870,937	2,738,739
		47,502,036	47,369,838
Current Assets			
Cash and cash equivalents	9	896,280	2,987,583
Receivables	10	3,560,287	2,135,497
Total Current Assets		4,456,567	5,123,080
Total Assets		51,958,603	52,492,918
Current Liabilities			
Payables	11	90,330	224,158
Total Current Liabilities		90,330	224,158
Non-Current Liabilities			
Amount due to related parties	8	-	106,522
Total Non-Current Liabilities		-	106,522
Total Liabilities		90,330	330,680
Total Net Assets		51,868,273	52,162,238
Equity			
Share Capital	12	47,085,714	47,085,714
Retained Earnings		4,782,559	5,076,524
Total Equity		51,868,273	52,162,238

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended March 31, 2021

	Notes	Expressed in United States dollars (\$)		
		Share Capital	Retained Earnings	Total Equity
As at April 1, 2020	12	47,085,714	5,076,524	52,162,238
Loss for the year		-	(293,965)	(293,965)
Other Comprehensive income		-	-	-
Issue of capital		-	-	-
Dividend paid		-	-	-
As at March 31, 2021	12	47,085,714	4,782,559	51,868,273
As at April 1, 2019	12	47,085,714	5,444,108	52,529,822
Profit for year		-	632,416	632,416
Other Comprehensive income		-	-	-
Issue of capital		-	-	-
Dividend paid		-	(1,000,000)	(1,000,000)
As at March 31, 2020	12	47,085,714	5,076,524	52,162,238

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended March 31, 2021

	Expressed in United States dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before taxation	(276,068)	802,799
Adjustment for:		
Interest income	(132,197)	(124,715)
Dividend income	-	(16,695)
Impairment of Investments/Receivables	-	330,417
Other	2,064	1,843
(Increase)/Decrease in assets:		
Decrease/(increase) in receivables	(1,426,855)	(969,909)
Decrease/(increase) in related parties	-	212,631
(Decrease)/Increase in liabilities:		
(Decrease)/increase in payables	(133,828)	48,567
Cash generated from operations	(1,966,884)	284,938
Tax paid	(17,897)	(170,383)
Net cash flows from operating activities	(1,984,781)	114,555
Cash flows from investing activities		
Dividends paid	-	(1,000,000)
Dividend income	-	16,695
Increase in investments	-	(3,979,000)
Interest received	-	-
Net cash flows from/(used by) investing activities		(4,962,305)
Cash flows from financing activities		
Payments on loans provided to related parties	-	-
Issue of share capital	-	-
Repayment of related party borrowings	(106,522)	-
Net cash flows used by financing activities	(106,522)	-
Net increase (decrease) in cash and cash equivalents	(2,091,303)	(4,847,750)
Cash and cash equivalents at beginning of year	2,987,583	7,837,176
Effect of exchange rate changes on cash balances	-	(1,843)
Cash and cash equivalents at end of year (Note 9)	896,280	2,987,583

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended March 31, 2021

1. Corporate information

The financial report of EIH Holdings Ltd (the “Company”) for the year ended March 31, 2021 was authorised for issue on April 19, 2021.

EIH Holdings Ltd is a company limited by shares and incorporated in British Virgin Island. The principal activity of the Company during the course of the year was investment and management.

The immediate holding company is EIH International Ltd, and the ultimate parent of the Company is EIH Limited, a company incorporated in India.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report has been prepared in accordance with the requirements of International Financial Reporting Standards (‘IFRS’), except as outlined below.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in United States dollars and all values are rounded to the nearest dollars unless otherwise stated.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board, with the following exceptions:

- IFRS 10 “Consolidated Financial Statements”, as consolidated financial statements have not been prepared.
- IFRS 9 “Financial Instruments” On the basis the company carries its unlisted equity investments at cost, as it is not practicable to accurately calculate fair value.

(c) Changes in accounting policies and disclosures

Accounting standards issued in the current period or those issued but not yet effective have been considered by management and are not expected to have a material impact on the business.

Remaining accounting policies adopted are consistent with those of the previous financial year.

(d) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in

foreign currencies are translated into United States dollars at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost.

(g) Investments

As outlined in Note 2 b), the Company’s unlisted equity investments are recorded at cost on acquisition less any permanent diminution in value as there is no quoted market price in an active market the fair value cannot be reliably measured. The Company does not intend to dispose its investment in the near future.

(h) Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

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

Notes to the Financial Statements

For the year ended March 31, 2021

The Company's investments in its associate and joint venture are accounted for at cost, less provision for any permanent diminution in value.

This is on the basis that the entity has exercised the exemption in IAS 28 to not apply equity accounting for investments in associated and joint ventures.

(i) Payables

Payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(k) Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred taxation is calculated under the liability method in respect of the taxation effect arising from all timing differences between profit as computed for taxation purposes and profit as stated in the financial statements which are expected with reasonable probability to crystallise in the foreseeable future.

(l) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue

of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services:

(i) Rendering of Services

Revenue from management and service fees received as hotel operators and managers for services rendered is recognised by reference to the billing to the customers.

(ii) Interest Income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(k) Key judgements and estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- i) The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. The extent and duration of impacts of COVID 19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID 19 on business, tourism, hotel and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, we estimate a possible scenario of normal business conditions returning gradually in the year 2021. In the following year 2022 it is estimated that the normalcy would return.

Notes to the Financial Statements

For the year ended March 31, 2021

3. Revenue

Revenue represents income from management and service fees received as hotel operators and managers for services rendered to hotels, royalty, dividend and interest income.

	Expressed in United States dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Hotel management fees	361,669	1,301,025
Sales and marketing	330,467	951,908
Royalty	6,071	72,794
Dividends	-	16,695
Interest	132,197	124,715
	830,404	2,466,327

4. Profit Before Taxation

Profit before taxation is arrived at after charging and crediting:

	Expressed in United States dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income (Note 3)	132,197	124,715
Auditor remuneration		
- audit of financial report	11,500	10,080
	11,500	10,080

5. Taxation

A reconciliation of the tax expense applicable to the profit before tax using the statutory rate to the tax expense at the effective tax rate is as follows:

	Expressed in United States dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	(276,068)	802,799
Tax at the statutory tax rate of Nil% (2020: Nil%)	-	-
Tax rate differential in foreign countries	17,897	170,383
Tax expense	17,897	170,383

6. Directors' Remuneration

	Expressed in United States dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fees	-	-
Other emoluments	-	-
	-	-

7. Investments

Investments in Subsidiaries

	Expressed in United States dollars (\$)	
	As at March 31, 2021	As at March 31, 2020
Unlisted shares,		
PT Astina Graha Ubud	1,560,000	1,560,000
PT Widja Putra Karya	8,800,000	8,800,000
PT Waka Oberoi Indonesia	7,338,073	7,338,073
	17,698,073	17,698,073

Details of the subsidiaries are as follows:

Name	Place of incorporation	Percentage of equity attributable to the Company		Principal Activities	Directors
		Directly	Indirectly		
PT Widja Putra Karya	Indonesia	48.89	-	Hotel ownership	I Wayan Pasek I Made Sutarjana Mr Deepak Madhok
PT Waka Oberoi Indonesia	Indonesia	90.59	-	Hotel ownership	Mr I Ketut Siandana Mr I Wayan Pasek Mr Deepak Madhok
PT Astina Graha Ubud	Indonesia	60	-	Hotel development	Mr I Wayan Pasek Mr Tjokorda Raka-Kerthayasa Mr Deepak Madhok
EIH Investments N.V. (Deregistered 17 th July 2020)	Netherlands Antilles	100	-	Investment and management	Intertrust (Curacao) BV

Notes to the Financial Statements

For the year ended March 31, 2021

Investments in Associates and Joint Ventures

	Expressed in United States dollars (\$)	
	As at March 31, 2021	As at March 31, 2020
La Roseraie De L'Atlas SA	22,550,500	22,550,500
Oberoi Mauritius Ltd	2,507,500	2,507,500
	25,058,000	25,058,000

Investments associates and joint ventures and are carried at cost, less provision for any permanent diminution in value.

Other Investments

	Expressed in United States dollars (\$)	
	As at March 31, 2021	As at March 31, 2020
Tourism Investment Co. Co.at Sahl Hasheesh	1,875,026	1,875,026
	1,875,026	1,875,026

	Expressed in United States dollars (\$)	
	As at March 31, 2021	As at March 31, 2020
Total investments	44,631,099	44,631,099

8. Related Parties

(a) List of Related Parties

In accordance with the requirements of International Accounting Standard (IAS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them in the ordinary course of business and on arms' length basis are given below:

Key Management Personnel of the company	Fellow Subsidiaries
Mr. P.R.S. Oberoi	Mumtaz Hotels Limited
Mr. Deepak Madhok	Mashobra Resort Limited
Mr. Pathmanaban Salvadurai	Oberoi Kerala Hotels and Resorts Limited
	EIH Flight Services Limited
Ultimate Parent Company	Associates & Joint Ventures
EIH Limited	(a) Associates
	La Roseraie De L'atlas
Parent Company	(b) Joint Ventures
EIH International Limited	Oberoi Mauritius Ltd
Subsidiaries	(c) Subsidiary of Joint Venture
EIH Investments N.V. (Up to 17 th July 2020)	Island Resort Ltd
PT Widja Putra Karya	
PT Waka Oberoi Indonesia	
PT Astina Graha Ubud	

Associates & Joint Ventures of parent entities

(a) Associates

EIH Associated Hotels Limited
Usmart Education Limited

(b) Joint Ventures

Mercury Car Rentals Private Limited

Notes to the Financial Statements

For the year ended March 31, 2021

(b) Transactions with Related Parties for the year ended March 31, 2021

Expressed in United States dollars (\$)

NATURE OF TRANSACTIONS	Parent Company		Subsidiaries		Associate / Joint Venture	
	2021	2020	2021	2020	2021	2020
INCOME						
Management Fees						
Island Resorts Ltd	-	-	-	-	1,384	347,548
PT Widja Putra Karya	-	-	-	108,527	-	-
La Roseraie De'Atlas	-	-	-	-	22,276	-
Group Sales & Marketing						
Island Resorts Ltd	-	-	-	-	923	180,719
PT Widja Putra Karya	-	-	-	183,948	-	-
PT Waka Oberoi Indonesia	-	-	-	43,600	-	-
La Roseraie De'Atlas	-	-	-	-	21,963	-
Interest						
Oberoi Mauritius Ltd	-	-	-	-	132,197	124,715
Dividends						
PT Widja Putra Karya	-	-	-	-	-	-
Total	-	-	-	336,075	178,743	652,982
FINANCE PAYMENTS						
Dividend on Equity Shares						
EIH International Ltd	-	1,000,000	-	-	-	-
Investment in Equity Shares						
La Roseraie De'Atlas	-	-	-	-	-	3,979,000
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	132,917	124,715
PT Widja Putra Karya	-	-	1,513,000	-	-	-
PT Waka Oberoi Indonesia	-	-	330,000	-	-	-
La Roseraie De'Atlas	-	-	-	-	-	3,979,000
PT Astina Graha Ubud	-	-	-	3,513	-	-
Repayment of Advance from Related Party						
PT Widja Putra Karya	-	-	106,522	-	-	-
Total	-	1,000,000	1,949,522	3,513	132,917	8,082,715
RECEIPTS						
Repayment of Advance to Related Party						
PT Waka Oberoi Indonesia	-	-	400,000	-	-	-
La Roseraie De'Atlas	-	-	-	-	-	3,979,000
Total	-	-	400,000	-	-	3,979,000

Notes to the Financial Statements

For the year ended March 31, 2021

c) Outstanding Balances as on March 31, 2021

NATURE OF TRANSACTIONS	Expressed in United States dollars (\$)					
	Parent Company		Subsidiaries		Associate / Joint Venture	
	2021	2020	2021	2020	2021	2020
RECEIVABLES						
For Goods & Services						
La Roseraie De'Atlas	-	-	-	-	32,945	-
PT Widja Putra Karya	-	-	-	60,784	-	-
PT Waka Oberoi Indonesia	-	-	-	92,475	-	-
Advance to Related Party						
PT Waka Oberoi Indonesia	-	-	1,712,038	1,782,038	-	-
PT Widja Putra Karya	-	-	1,513,000	-	-	-
PT Astina Graha Ubud						
Oberoi Mauritius Ltd	-	-	-	-	2,335,488	2,203,291
La Roseraie De'Atlas	-	-	-	-	70,500	70,500
EIH Investments NV	-	-	-	-	-	-
Total	-	-	3,689,986	2,400,245	2,438,933	2,273,791
PAYABLES						
Payable to Related Party						
PT Widja Putra Karya	-	-	-	106,522	-	-
Total	-	-	-	106,522	-	-

9. Cash and Cash Equivalents

	Expressed in United States dollars (\$)	
	As at	As at
	March 31, 2021	March 31, 2020
Cash at Bank	896,280	2,987,583

10. Receivables

	Expressed in United States dollars (\$)	
	As at	As at
	March 31, 2021	March 31, 2020
Trade receivables	302,304	200,200
Related party receivables	3,257,983	1,935,297
Total	3,560,287	2,135,497

11. Payables

	Expressed in United States dollars (\$)	
	As at	As at
	March 31, 2021	March 31, 2020
Third parties	90,330	224,158
Total	90,330	224,158

12. Share Capital

	Expressed in United States dollars (\$)	
	As at	As at
	March 31, 2021	March 31, 2020
Issued and fully paid: 47,085,714 ordinary shares	47,085,714	47,085,714

	Expressed in United States dollars (\$)	
	Number of Shares	\$
As at March 31, 2019	47,085,714	47,085,714
Shares issued	-	-
As at March 31, 2020	47,085,714	47,085,714
Shares issued	-	-
As at March 31, 2021	47,085,714	47,085,714

Notes to the Financial Statements

For the year ended March 31, 2021

13. Events After Statement of Financial Position Date

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material subsequent events or transactions have been identified

14. Commitments and Contingencies

There are no other outstanding commitments and contingencies at year end.

In the opinion of the directors:

- (a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the result of the Company for the year ended 31 March 2021;
- (b) the balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2021; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of directors.

April 19, 2021

Deepak Madhok
Director

EIH Investment N.V.

BOARD

Intertrust (Curaco) B.V.
Kaya W.F.G. (Jombi) Mensing 14,
2nd Floor, Curacao

AUDITORS

Ernst & Young
121, King William Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

Kaya W.F.G. (Jombi)
Mensing 14, 2nd Floor,
Curacao,
Netherlands Antilles

Management's Report

DIRECTORS

The Director presents their report on the Company for the period ended July 17, 2020.

The name of the Company's Director in office during the period and until the date of this report is as follows.

Intertrust (Curacao) B.V
Kaya W.F.G (Jombi) Mensing 14, 2nd Floor
Curacao

The Director was in office for the entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

The Company's principal activity during the period was to act as a holding and finance company, until its registration was terminated on July 17, 2020.

OPERATING AND FINANCIAL REVIEW

The net profit of the Company for the period was \$nil (2020 profit of \$253,446) after providing for income tax of \$nil (2020: \$nil).

EVENTS AFTER THE BALANCE DATE

No material matters or circumstances have arisen since the end of the period that requires disclosure in the financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Company's registration was terminated on July 17, 2020.

The results of the Company operations during the period have not, in the opinion of the Director, been affected by any item, transaction or event of a material or unusual nature. .

DIVIDENDS

No dividends were declared during the period (2020: \$nil).

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the period and there were no options outstanding at the date of this report.

AUDITORS INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

MANAGEMENT STATEMENT

In the opinion of the Management:

- (a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the results of the Company for the period ended July 17, 2020;
- (b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company at July 17, 2020; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Melbourne Australia, April 19, 2021

Mr. Deepak Madhok
On behalf of EIH International Ltd Group.

Independent Auditor's Report

To the Members of EIH Investment N.V.

Opinion

We have audited the financial report of EIH Investment N.V. (the Company), which comprises the statement of financial position as at July 17, 2020, the statement of comprehensive income, statement of changes in equity for the period then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at July 17, 2020, and its financial performance for the period then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist the directors of EIH Investment N.V. to meet their financial reporting requirements. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the members of EIH Investment N.V. and should not be distributed to parties other than the members

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young
Adelaide

April 19, 2021

Statement of Comprehensive Income

For the period ended July 17, 2020

	Note	Expressed in United States dollars (\$)	
		Period ended July 17, 2020	Year ended March 31, 2020
Revenue			
Royalty Income		-	-
Expenses			
Royalty expenses		-	-
Administration and general expenses		-	28,777
Total expenses		-	28,777
Other Income/(Expense)			
Dividend income		-	-
Impairment of receivable/ investment		-	(42,194)
Waiver of Loan		-	324,417
Total Other Income		-	282,223
Profit/(Loss) before taxation		-	253,446
Taxation (expense)/benefit		-	-
Profit/(Loss) after Taxation		-	253,446
Other Comprehensive Income		-	-
Total Comprehensive Income		-	253,446

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at July 17, 2020

	Note	Expressed in United States dollars (\$)	
		As at July 17, 2020	As at March 31, 2020
Non-Current Assets			
Investment in subsidiary	3	-	-
Total Non-Current Assets		-	-
Total Assets		-	-
Current Liabilities			
Amount due to shareholder		-	-
Amount due to related company		-	-
Total Current Liabilities		-	-
Non-Current Liabilities			
Amount due to shareholder	4	-	-
Total Non-Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		-	-
Shareholders' Equity:			
Share capital	1	-	6,000
Retained earnings		-	(6,000)
		-	-

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the period July 17, 2020

	Note	Expressed in United States dollars (\$)		
		Share Capital	Retained Earnings	Total Equity
As at April 1, 2020	1	6,000	(6,000)	-
Profit for period		-	-	-
Other comprehensive income		-	-	-
Dividend paid		-	-	-
Cancellation of share capital on deregistration		(6,000)	6,000	-
As at July 17, 2020	1	-	-	-
As at April 1, 2019	1	(6,000)	(259,446)	(253,446)
Profit for year		-	253,446	253,446
Other Comprehensive income		-	-	-
Dividend paid		-	-	-
As at March 31, 2020	1	6,000	(6,000)	-

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the period ended July 17, 2020

1. Corporate information

The financial report of EIH Investment N.V. (the "Company") for the four month period ended July 17, 2020 was authorised for issue on April 19, 2021.

EIH Investment N.V. was a company limited by shares and was incorporated in the Netherlands Antilles on May 22, 1997. The authorised share capital of the Company consisted of 30,000 common shares with a par value of USD 1 each (US\$30,000). At statement of financial position date, 6,000 shares were issued and fully paid.

The nature of the operations and principal activity of the Company is described in the Director's report.

The Financial Statements have been prepared as a completion set of financial statement as the Company's registration was terminated on July 17, 2020.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report has been prepared in accordance with the requirements of International Financial Reporting Standards ('IFRS'), with the following exceptions:

- IFRS 10 "Consolidated Financial Statements", as consolidated financial statements have not been prepared.
- IAS 28 "Investments in Associates and Joint Ventures", as investments in associates held by the company are recorded at cost.
- IAS 24 "Related Party Disclosures" as related party relationships and transactions are disclosed at the parent entity level.

The Director has opted not to prepare consolidated financial statements.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in United States dollars and all values are rounded to the nearest dollars unless otherwise stated.

A statement of cash flows has not been prepared given that there were no cash transactions during the period.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board, to the extent outlined above.

(c) Changes in accounting policies and disclosures

Accounting standards issued in the current period or those issued but not yet effective have been considered by management and are not expected to have a material impact on the business.

Remaining accounting policies adopted are consistent with those of the previous financial year.

(d) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into United States dollars at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Investments and financial assets are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

Notes to the Financial Statements

For the year ended March 31, 2021

When financial assets are recognised initially, they are measured at fair value, plus in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

(g) Investments

Investments in subsidiaries are recorded at cost, less provision for any permanent diminution in value.

(h) Deferred Taxation

Deferred taxation is calculated under the liability method in respect of the taxation effect arising from all timing differences between profit as computed for taxation purposes and profit as stated in the financial statements which are expected with reasonable probability to crystallise in the foreseeable future.

(i) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from management and service fees received as hotel operators and managers for

services rendered is recognised by reference to the billing to the customers.

(k) Fair Value

The fair value of the financial assets and liabilities are not disclosed as management is of the opinion that the carrying amount of these financial assets and liabilities approximate the fair value.

(l) Financial risk management

Risk is an inherent part of the Company's business activity. The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities, in accordance with defined policies and procedures.

3. Investment in Subsidiary

Represented a 100% investment in EIH Management Services B.V. Participation.

The subsidiary entered into liquidation on November 7, 2019 and was deregistered on February 18, 2020.

4. Amount Due to Shareholder

The Company has no loans in the current period as the balance of the loan was waived by the shareholder during the period (2020: \$nil).

5. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified.

6. Commitments and Contingencies

There are no outstanding commitments and contingencies at period end.

7. Auditor's Remuneration

	Expressed in United States dollars (\$)	
	July 17, 2020	March 31, 2020
Amounts received or due and receivable for:		
- an audit or review of the financial report of the Company and any other entity in the Company	-	-
- other services in relation to the Company and any other entity in the Company	-	-

PT WIDJA PUTRA KARYA

BOARD

Mr. I Wayan Pasek
Mr. Deepak Madhok
Mr. I Made Sutarjana

AUDITORS

Purwanto, Sungkaro & Surja
A member firm of Ernst & Young Global Limited
Indonesia Stock Exchange Building
Tower 2, 7th Floor,
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190,
Indonesia

REGISTERED OFFICE

Jl. Kayu Aya – Seminyak Beach,
Kuta, Badung-Bali,
Indonesia

Report of the Directors

We present the report and the audited financial statements of PT Widja Putra Karya (the “Company”) for the year ended March 31, 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company is hotel ownership and management.

RESULTS

The Company’s financial position and results of operations as of and for the year ended March 31, 2021 are set out in the financial statements on pages 1 to 7 preceded by the independent auditors’ report.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

We are responsible for the preparation and the presentation of the financial statements, and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We are also responsible for the Company’s internal control systems and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements of the Company, we are required to:

- select suitable accounting policies and then apply them consistently;
- prepare and present the financial statements in accordance with Indonesian Financial Accounting Standards;
- make judgements and estimates that are reasonable and prudent;

We confirm that we have complied with the above requirements in preparing the financial statements and all information contained in the financial statements are complete and correct. The financial statements do not contain or omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, April 26, 2021

On behalf of the Board of Directors

I Wayan Pasek
President Director

Independent Auditor's Report

Report No. 00654/2.1032/AU.1/10/1175-6/1/IV/2021

The Stockholders and Boards of Commissioners and Directors PT Widja Putra Karya

We have audited the accompanying financial statements of **PT Widja Putra Karya**, which comprise the statement of financial position as of March 31, 2021, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Widja Putra Karya as of March 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

OTHER MATTER

Our audit was conducted for the purpose of forming an opinion on the basic Indonesian rupiah financial statements taken as a whole. The translations of the Indonesian rupiah amounts into United States dollar have been made on the basis set forth in Note 2n to the financial statements and are presented for purposes of additional analysis only and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion thereon.

Purwantono, Sungkaro & Surja

Sd/-

Tjoa Tjek Nien, CPA

Public Accountant Registration No. AP.1175

New Delhi
April 26, 2021

Statement of Profit or Loss And Other Comprehensive Income

For the Year Ended March 31, 2021

	Notes	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
		Year Ended March 31,		Unaudited (Note 2n)	
		2021	2020	2021	2020
DEPARTMENTAL REVENUES	2k, 21				
Rooms		-	60,880,601,310	-	4,317,522
Food and beverages		-	20,167,391,987	-	1,430,536
Other operating departments		-	5,409,536,022	-	383,545
Total Departmental Revenues		-	86,457,529,319	-	6,131,603
COST OF GOODS SOLD AND SERVICES	2k, 22	10,089,687,615	40,241,786,968	692,946	2,852,215
GROSS PROFIT (LOSS)		10,089,687,615	46,215,742,351	(692,946)	3,279,388
HOTEL OPERATING EXPENSES	2k				
General and administrative expenses	23	4,390,460,889	11,628,157,419	301,749	823,835
Property operations, maintenance and energy expenses	24	3,805,008,251	14,721,564,510	261,197	1,042,615
Marketing and sales promotion expenses	25	1,051,821,646	7,700,168,191	72,853	544,723
Other income	26	(2,314,938,457)	-	(161,431)	-
Total Hotel Operating Expenses		6,932,352,329	34,049,890,120	474,368	2,411,173
HOTEL GROSS		(17,022,039,944)	12,165,852,231	(1,167,314)	868,215
OPERATING PROFIT (LOSS)					
OWNER'S OPERATING (INCOME) EXPENSES	2k				
Depreciation and amortization		4,907,243,104	5,163,082,803	338,292	362,897
Foreign exchange losses (gains) - net		(3,412,408,930)	4,201,571,191	-	-
Professional fees		3,029,462,635	2,871,035,355	206,778	202,914
Insurance		1,444,621,544	1,791,241,180	103,857	127,604
Salaries and wages		1,101,351,720	2,021,916,052	75,719	143,175
Finance income - net		(1,393,943)	(2,978,617)	(96)	(208)
Rental		4,200,000	8,399,995	290	589
Management fee	6,27a	-	1,520,731,529	-	108,527
Tax expense		-	1,085,781,904	-	77,063
Other operating expenses - net		2,378,821,776	1,937,508,184	163,972	136,102
Total Owner's Operating Expenses - Net		9,451,897,906	20,598,289,576	(888,812)	1,158,663
LOSS BEFORE INCOME TAXES		(26,473,937,850)	(8,432,437,345)	(2,056,126)	(290,448)
Income tax benefit (expense) - net	2m, 12b	(2,776,445,488)	5,295,392,292	(183,086)	334,866
NET LOSS FOR THE YEAR		(29,250,383,338)	(3,137,045,053)	(2,239,212)	44,418
NET LOSS FOR THE YEAR					
Item not to be reclassified to profit or loss in subsequent periods: Re-measurement (loss) gain on long-term employee benefits liability		207,277,025	(31,607,402)	14,224	(2,213)
Related income tax		(45,600,945)	6,953,628	(2,908)	487
Item to be reclassified to profit or loss in subsequent periods: Difference in foreign currency translation		-	-	455,325	(535,252)
Other Comprehensive Income (Loss), Net of Tax		161,676,080	(24,653,774)	466,641	(536,978)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(29,088,707,258)	(3,161,698,827)	(1,772,571)	(492,560)

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Changes in Equity

For the Year Ended March 31, 2021

Indonesian Rupiah						
	Note	Capital Stock	Additional Paid in Capital (Note 2m)	Other Comprehensive Loss	Retained Earnings	Total Equity
Balance as of March 31, 2019		1,107,000,000	3,019,000,000	(1,775,131,567)	30,525,951,188	32,876,819,621
Net loss for the year		-	-	-	(3,137,045,053)	(3,137,045,053)
Re-measurement loss on long-term employee benefits liability - net of tax	17	-	-	(24,653,774)	-	(24,653,774)
Balance as of March 31, 2020		1,107,000,000	3,019,000,000	(1,799,785,341)	27,388,906,135	29,715,120,794
Net loss for the year		-	-	-	(29,250,383,338)	(29,250,383,338)
Re-measurement loss on long-term employee benefits liability - net	17	-	-	161,676,079	-	161,676,079
Balance as of March 31, 2021		1,107,000,000	3,019,000,000	(1,638,109,262)	(1,861,477,203)	626,413,535

Translations into U.S. Dollar - Unaudited (Note 2n)							
	Note	Capital Stock	Additional Paid in Capital (Note 2m)	Retained Earnings	Other Comprehensive Loss	Translation Adjustment	Total Equity
Balance as of March 31, 2019		659,603	226,635	4,729,865	(132,067)	(3,175,919)	2,308,117
Net income for the year		-	-	44,418	-	-	44,418
Re-measurement loss on long-term employee benefits liability - net of tax	17	-	-	-	(1,726)	-	(1,726)
Translation adjustment	-	-	-	-	-	(535,252)	(535,252)
Balance as of March 31, 2020		659,603	226,635	4,774,283	(133,793)	(3,711,171)	1,815,557
Net loss for the year		-	-	(2,239,212)	-	-	(2,239,212)
Re-measurement gain on long-term employee benefits liability - net of tax	17	-	-	-	11,316	-	11,316
Translation adjustment	-	-	-	-	-	455,325	455,325
Balance as of March 31, 2021		659,603	226,635	2,535,071	(122,477)	(3,255,846)	42,986

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Cash Flows

For the Year Ended March 31, 2021

	Notes	Translations into U.S. Dollar (\$)			
		Indonesian Rupiah		Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income taxes		(26,473,937,850)	(8,432,437,345)	(2,056,126)	(290,448)
Adjustments to reconcile					
Income (loss) before income taxes for the year to net cash flows provided by operating activities:					
Depreciation and amortization	9, 10, 12	4,907,243,104	5,163,082,803	338,292	362,897
Provision for replacement of furniture, fixtures and equipment	15,23	-	2,593,725,879	-	183,949
Provision for employee benefits - net	17	(2,297,289,890)	(396,973,600)	(157,780)	(34,133)
Unrealized loss (gain) on forex - net		(3,412,408,930)	4,201,571,191	-	-
Interest expense		1,838,274,325	1,336,601,481	127,611	93,549
Changes in operating assets and liabilities:					
Trade receivables		1,204,428,279	1,624,384,722	73,589	99,248
Other receivables - third parties		95,563,795	(109,515,392)	5,839	(6,691)
Inventories		404,948,276	1,196,619,602	5,707	73,112
Other current financial assets		7,539,930,949	5,214,341	459,588	319
Prepayments and advances		2,158,978,459	307,788,169	120,150	18,805
Estimated claim for tax refund		(1,763,956,071)	(2,902,438,360)	(142,895)	(177,335)
Trade payables		(1,551,021,076)	1,018,610,364	(87,381)	62,236
Other payables		(1,401,676,070)	535,226,046	(85,971)	32,702
Taxes payable		1,131,578,214	(1,158,563,858)	79,475	(70,787)
Accrued expenses		(1,359,918,611)	(137,903,846)	(54,150)	(8,425)
Due to hotel operator		(52,450,915)	(68,750,884)	(3,205)	(4,201)
Other current liabilities		(4,126,254,691)	(1,258,371,072)	(227,667)	(76,885)
Net Cash Flows Provided by (Used in) Operating Activities		(23,157,968,703)	3,517,870,241	(1,604,924)	257,912
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	9,31	(366,939,100)	(1,739,434,909)	(24,899)	(119,912)
Utilization of reserve for replacement of furniture, fixtures and equipment	15	(42,992,770)	(753,572,758)	(2,950)	(53,635)
Net Cash Flows Used in Investing Activities		(409,931,870)	(2,493,007,667)	(27,849)	(173,547)
CASH FLOWS FROM FINANCING ACTIVITY					
Payments of lease liabilities	18	(267,687,961)	(107,216,274)	(17,454)	(7,225)
Collections of (funds provided to) due from related parties		6,796,563,506	(7,671,616,709)	388,391	(562,519)
Receipts of funds from a shareholder	6	22,047,436,000	-	1,513,000	-
Net Cash Flows Provided by (Used in) Financing Activities		28,576,311,545	(7,778,832,983)	1,883,937	(569,744)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		5,008,410,972	(6,753,970,409)	251,164	(485,379)
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		(1,448,758,158)	(41,126,569)	-	-
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	914,592,166	7,709,689,144	55,880	541,259
CASH ON HAND AND IN BANKS AT END OF YEAR	4	4,474,244,980	914,592,166	307,044	55,880

Information on non-cash activities are disclosed in Note 31.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended
(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

1. GENERAL

PT Widja Putra Karya (the “Company”) was established based on notarial deed No. 42 dated April 20, 1977 of Amir Sjarifuddin, S.H. The deed of establishment was approved by the Ministry of Justice in its decision letter No. Y.A.5/413/2 dated October 5, 1977. The Company subsequently changed its status to become a foreign capital investment company under the framework of the Foreign Capital Investment Law No. 1 of 1967 as amended by Law No. 11 of 1970 based on approval letter No. 64/V/PMA/1995 dated December 4, 1995 of the State Minister for Mobilization of Investment Fund/ the Chairman of the Capital Investment Coordinating Board.

The Company’s Articles of Association has been amended several times, the latest amendment of which was covered by notarial deed No. 7 dated October 25, 2018 of Irwan Azwir Tanjung, S.H., regarding the changes in the composition of the Company’s Boards of Commissioners and Directors. The latest amendment was reported to the Ministry of Law and Human Rights of the Republic of Indonesia and was acknowledged in its letter No. AHU-AH.01.03-0268373 dated November 27, 2018.

In accordance with Article 3 of the Company’s articles of association, the Company is engaged in activities related to the tourism industry. Currently, the Company is the owner of The Oberoi Bali (the Hotel), located at Jalan Kayu Aya, Seminyak Beach, Bali. On March 19, 2019, EIH Management Services B.V assigned EIH Holdings Ltd to manage the hotel operations up to year 2032 with option to extend for 10 or 20 years.

The composition of the Company’s Boards of Commissioners and Directors as of March 31, 2021 and 2020 are as follows:

Board of Commissioners	
Sudarshan Vedaji Rao	- President Commissioner
I Ketut Siandana	- Commissioner
I.B. Yudana	- Commissioner

Board of Directors	
I Wayan Pasek	- President Director
Deepak Madhok	- Director
I Made Sutarjana	- Director

The Company has a total of 151 and 195 permanent employees as of March 31, 2021 and 2020, respectively (unaudited).

In March 2020, Indonesia was hit by novel corona virus disease 2019 (COVID-19) and the Company has since closed the operations. As of completion of the Company’s financial statements, the Company’s hotel operations have not yet reopened.

The management of the Company is responsible for the preparation and presentation of the accompanying financial statements that were completed and authorized for issuance by the Board of Directors on April 26, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesia Financial Accounting Standards (“SAK”), which comprise the Statements of Financial Accounting Standards (“PSAK”) and Interpretations of Financial Accounting Standards (“ISAK”) issued by the Indonesia Financial Accounting Standards Board (“DSAK”) of the Indonesian Institute of Accountants.

Except for the statement of cash flows, the financial statements have been prepared on the accrual concept, using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The statement of cash flows, which has been prepared using the indirect method, presents cash receipts and disbursements of cash and cash equivalents into operating, investing and financing activities.

The company’s functional currency is the Indonesian rupiah, which is also the currency used in the preparation of the financial statements, with translations into United States dollar.

b. Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 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 the normal operating cycle,
- held primarily for the purpose of trading,
- due to be settled within twelve months after the reporting period, or

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of the equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

c. Cash on Hand and in Banks

Cash on hand and in banks, in the statement of financial position comprise cash on hand and in banks which are not restricted to use, and which are subject to an insignificant risk of changes in value.

d. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7, "Related Party Disclosures".

The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those for transactions with unrelated parties.

All significant transactions and balances with related parties are disclosed in the relevant notes to the financial statements. Unless specifically identified as related parties, the parties disclosed in the Notes to the financial statements are unrelated parties.

e. Inventories

Inventories are valued at the lower of cost or net realizable value. Except for boutique inventories (which use the First-In First Out method), the cost is determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Allowance for decline in market value and obsolescence of inventories, if any, is provided to reduce the carrying value of inventories to their net realizable values based on the review of the market value and physical condition of the inventories.

f. Prepayments

Prepayments are amortized and charged to operations over the periods benefited using the straight-line method. The portion to be amortized

within one year is presented as part of current assets; otherwise, as non-current assets.

g. Fixed Assets

Fixed assets, except land which is stated at cost and not depreciated, are stated at cost less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes: (a) purchase price, (b) any costs directly attributable to bringing the asset to its present location and condition, and (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any. Each part of an item of fixed assets with a cost that is significant in relation to the total cost of the item should be depreciated separately.

When significant renewals and betterments are performed, their costs are recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are charged directly to current operations.

Depreciation commences once the assets are available for their intended use and is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Rights-of-use assets	38
Buildings	20
Structures and improvements	10
Machinery and equipment	8
Furniture, fixtures and equipment	5
Motor vehicles	5

Land is stated at cost and is not depreciated.

Rights-of-use assets represent land and will be amortized over the lease terms.

Construction in progress represents the accumulated cost of materials and other costs related to the asset under construction. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the constructed asset is ready for its intended use.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is credited or charged to operations in the year the asset is derecognized.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

The costs incurred in order to acquire legal rights over land in the form of “Hak Guna Usaha” (HGU), “Hak Guna Bangunan” (HGB) or “Hak Pakai” (HP) upon initial acquisition of land are recognized as part of the acquisition cost of the land and are not amortized. Meanwhile, costs incurred in connection with the extension or renewal of the above rights are recognized as intangible asset (presented as part of “Other non-current assets” in the statement of financial position) and are amortized throughout the validity period of the rights or the economic useful life of the land, whichever period is shorter.

Effective April 1, 2019, it is the Company’s policy to classify right-of-use assets as part of fixed assets. Prior to that date, all of the Company’s leases are accounted for as operating leases in accordance with PSAK 30, hence, not recorded on the statement of financial position. The Company recognizes 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 initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

h. Impairment of Non-financial Assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of the asset’s or its cash-generating unit’s (CGU’s) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets

or groups of assets. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income as “impairment losses”. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in the statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i. Provisions and Contingencies

A provision is recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

a reliable estimate can be made of the amount of the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

Contingent liabilities are not recognized in the financial statement but are disclosed in the notes to the financial statements unless the outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

j. Employee Benefits Liability

Short-term employment benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of “Accrued expenses” in the statement of financial position.

Post-employment benefits

Effective February 2, 2021, the Company applied the Government Regulation Number 35 Year 2021 (PP 35/2021), implementing the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja) in its determination of the employee benefits liability.

The Company previously recognizes its unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the “Law”) and PSAK 24 (Revised 2013), “Employee Benefits”.

Pension costs under the Company’s defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate and annual rate of increase in compensation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding the amounts, included in net interest on the net defined benefit liability) are recognized immediately in the statement of financial position 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 or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier between:

- i) the date of the plan amendment or curtailment, and
- ii) the date the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under “Cost of Goods Sold and Services” and “General and Administrative Expenses” as appropriate in the statement profit or loss and other comprehensive income:

- i) Service costs comprising current service costs, past-service costs, gains or losses on curtailments and non-routine settlements, and
- ii) Net interest expense or income

k. Revenue and Expense Recognition

The Company early adopted PSAK 72 “Revenue from Contract with Customers”. PSAK 72 supersedes IAS PSAK 23, Revenue, and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. PSAK 72 establishes a five-step model to account for revenue arising from contract with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PSAK 72 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted PSAK 72 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts that are not completed as of April 1, 2019.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

The cumulative effect of initially applying PSAK 72 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PSAK 23 and related Interpretations. However, there is no impact to the Company's financial statements in adopting PSAK 72. Thus, there is no adjustment to the opening balance of the retained earnings, as well as, additional disclosures as required under PSAK 72.

Hotel room revenue is recognized based on room occupancy while other hotel revenues are recognized when the goods are delivered or services are rendered to the customers.

Expenses are recognized when they are incurred.

i. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average buying and selling rates of exchange published by Bank Indonesia at the last banking transaction date of the year. The resulting gains or losses are credited or charged to current operations.

As of March 31, 2021 and 2020, the rates of exchange used were Rp14,572 and Rp16,367, respectively, to US\$1.

m. Taxation

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of "Income tax expense - net" in the statement of profit or loss and other comprehensive income. Interests and penalties are presented as part of other operating income or expenses since they are not considered as part of the income tax expense.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if

appealed against, when the result of the appeal is determined.

Deferred Tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

Value added tax ("VAT")

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the Tax Office, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

Change in Tax Rates

On March 31, 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, reduction to the tax rates for corporate income tax payers and permanent establishments entities from previously 25% to become 22% for fiscal years 2020 and 2021 and 20% starting fiscal year 2022 and onwards, and further reduction of 3% for corporate income tax payers that fulfill certain criteria.

The new tax rates are used as reference to measure the current and deferred tax assets and liabilities starting from the enactment date of the new regulation on March 31, 2020.

Tax Amnesty

On 19 September 2016, the Indonesia Financial Accounting Standards Board (DSAK IAI) issued PSAK 70, "Accounting for Tax Amnesty Assets and Liabilities".

This PSAK provides accounting policy choice for the entity to account the asset and liabilities in accordance with the provision of Tax Amnesty Law. The alternative accounting options are:

- To use the existing applicable standard under SAK.
- To use the specific provision in PSAK 70.

Management decided to use the specific provision in PSAK 70. According to specific provision of PSAK 70, tax amnesty assets are measured at the amount reported in the Tax Amnesty Approval Letter ("SKPP"), while tax amnesty liabilities are measured at the amount of cash or cash equivalents that will settle the contractual obligation related to the acquisition of the tax amnesty assets. The redemption money (the amount of tax paid in accordance with Tax Amnesty law) shall be charged directly to profit or loss in the period when the SKPP was received.

Any difference between amounts initially recognized for the tax amnesty assets and the related tax amnesty liabilities shall be recorded in equity as Additional Paid-In Capital ("APIC"). The APIC shall not be reclassified to retained earnings or recycled to profit or loss subsequently.

n. Translations of Indonesian Rupiah Amounts into United States (U.S.) Dollar

The financial statements are stated in Indonesian rupiah, the currency of the country in which the Company operates. The translations of Indonesian rupiah amounts into U.S. dollar were made at the following rates:

Assets and liabilities	Middle rate as of reporting date (Rp14,572 to US\$1 and Rp16,367 to US\$1 as last quoted by Bank Indonesia as of March 31, 2021 and 2020, respectively).
Capital stock	Historical rates
Revenue and expense accounts	Transaction date exchange rates

The resulting difference arising from the translations of the statement of financial position and statement of profit or loss and other comprehensive income accounts is presented as "Translation adjustment" under the equity section of the statement of financial position.

o. 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.

Effective beginning April 1, 2020

i. Financial Assets

Initial Recognition and Measurement

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

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

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

expedient are measured at the transaction price determined under PSAK 72.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables, other current financial assets and other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company has no financial assets at fair value through OCI (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PSAK 50: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

The Company has no financial assets designated at fair value through OCI (equity investments).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and other comprehensive income.

The Company has no financial assets at fair value through profit or 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 derecognized (i.e., removed from the Company's statement of financial position) when:

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

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

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

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial Liabilities

Initial Recognition and Measurement

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

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

The Company's financial liabilities include trade payables, other payables, accrued expenses, loan payable, due to related parties, due to a shareholder and other current financial liabilities.

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 Company that are not designated as hedging instruments in hedge relationships as defined by PSAK 71. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and

only if the criteria in PSAK 71 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit or loss and other comprehensive income.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Effective prior to April 1, 2020

i. Financial assets

Initial recognition

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at the end of each reporting period. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the buyers or sellers commit to purchase or sell the assets.

As of March 31, 2020, the Company's financial assets included cash and cash equivalents, trade receivables, other receivables, other current financial assets (employee loans), due from related parties and other non-current assets (security deposits). The Company has determined that all of these financial assets are categorized as loans and receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

ii. Financial liabilities

Initial recognition

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value and in the case of financial liabilities measured at amortized cost, include directly attributable transaction costs.

As of March 31, 2020, the Company's financial liabilities included trade and other payables, accrued expenses (excluding accruals relating to employee benefits), due to hotel operator, lease liabilities and other current liabilities (deposits from customers). The Company has determined that all of these financial liabilities are categorized as other financial liabilities.

Subsequent measurement

After initial recognition, financial liabilities measured at amortized cost are measured using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Credit risk adjustment

The Company adjusts the price in the observable market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in the statement of profit or loss and other comprehensive income.

vii. Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

p. Lease

Effective April 1, 2019, the Company early adopted PSAK 73 "Leases". PSAK 73 is adopted from IFRS 16 - Leases, which superseded PSAK 30 "Leases". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Company's lease accounting is as a lessee since the Company does not have any transactions as a lessor.

The Company recognized rights-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

At the commencement date of the lease, the Company recognizes 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.

In calculating the present value of lease payments, the Company 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 in-substance fixed

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

lease payments or a change in the assessment to purchase the underlying asset.

The Company had applied the modified retrospective method of adoption, with the date of initial application of April 1, 2019. In accordance with the standard, by applying modified retrospective approach, the lessee shall not restate comparative information. Instead, the lessee shall recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets.

The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Based on the above, as at April 1, 2019:

- Rights-of-use assets (presented as part of “Fixed Assets” account) were recognized amounting to Rp44,186,840,610 (US\$3,104,882), representing the amount of rights-of-use assets set up on transition date.
- Lease liabilities were recognized amounting to Rp38,255,757,280 (US\$2,688,199) after considering prepayments of Rp5,931,083,330 (US\$416,683) related to previous operating

leases arising from straight lining were derecognized.

Due to the adoption of PSAK 73, the Company’s gross operating profit in 2020 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases prior to adopting PSAK 73.

The adoption of PSAK 73 will not have an impact on equity in 2020, since the Company elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

Prior to adoption of PSAK 73, Leases of fixed assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in obligations under finance leases. The interest element of the finance cost is taken to profit or loss over the leased period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalized leased assets are depreciated over the estimated useful life of the assets except if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Where a significant portion of the risks and rewards of ownership are retained by the lessor, the leases are classified as operating leases. Payments made under operating leases are taken to profit or loss on a straight-line basis over the period of the lease.

q. Adoption of Amendments and Improvements of PSAK

The Company has adopted several amendments and improvements to PSAK and new ISAK that are mandatory for application effective April 1, 2020. The adoption of the following amendments and improvements to PSAK and new ISAK did not result in substantial changes to the Company’s accounting policies and had no material effect

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

on the amounts reported for the current or prior financial periods:

PSAK 71: Financial Instruments

PSAK 71: Financial Instruments replaces PSAK 55: Financial Instruments: Recognition and Measurements for annual periods beginning on or after April 1, 2020, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has not restated corresponding information for 2020 for financial instruments in the scope of PSAK 71. Therefore, the corresponding information for 2020 is reported under PSAK 55 and is not comparable with the information presented for 2021. Differences, if any, arising from the adoption of PSAK 71 have been recognized directly in retained earnings as of April 1, 2020.

(a) Classification and Measurement

Under PSAK 71, debt instruments are subsequently measured at fair value through profit or loss, amortized costs, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest (SPPI)" on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, April 1, 2020. The assessment of whether contractual cash flows on debt

instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PSAK 71 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under PSAK 55. The following are the changes in the classification of the Company's financial assets:

- Trade receivables, other current financial assets and other noncurrent financial assets classified as Loans and receivables as at March 31, 2021 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost beginning April 1, 2020.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of PSAK 71, the Company had the following required or elected reclassifications as at April 1, 2020:

Income (loss) before income tax	PSAK 71 measurement category		
	Fair value through profit or loss	Amortized Cost	Fair Value through OCI
PSAK 55 measurement category			
Loans and receivables:			
Trade receivables - third parties	Rp -	Rp1,204,428,279	Rp -
Other receivables - third parties	Rp -	Rp95,563,795	Rp -
Other current financial assets	Rp -	Rp7,684,800,076	Rp -
Due from related parties	Rp -	Rp10,366,703,506	Rp -
Other non-current financial assets	Rp -	Rp13,650,000	Rp -

(b) Impairment

The adoption of PSAK 71 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PSAK 55's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PSAK 71 requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The assessment of the Company's business model was made as of the date of initial application, April 1, 2020. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

Upon adoption of PSAK 71, the Company has determined that this has no significant impact on the financial statements.

(b) Hedge Accounting

Under PSAK 55, all gains and losses arising from the Company's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under

PSAK 71, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. This change only applies prospectively from the date of initial application of PSAK 71 and has no impact on the statement of financial position as at April 1, 2020.

Amendments to PSAK 71: Prepayment Features with Negative Compensation

Under PSAK 71, a debt instrument can be measured at amortized cost or at fair value through OCI, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PSAK 71 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

Amendments to PSAK 24: Employee Benefits - Plan Amendment, Curtailment or Settlement. Amendments to PSAK 1 and PSAK 25 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Amendments to PSAK 1: Presentation of Financial Statements on the title of financial statements

The amendments to PSAK 1 are several paragraphs in PSAK 1: Presentation of Financial Statements which were not previously adopted from IAS 1 Presentation of Financial Statements to be adopted. This amendment opens an option that allows entities to use report titles other than those used in PSAK 1. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

ISAK 36: Interpretation of the Interaction between Provisions regarding Land Rights in PSAK 16: Fixed Assets and PSAK 73: Leases

ISAK 36 provides confirmation of the intentions and considerations of the DSAK covered in the Basis for Conclusion PSAK 73 paragraphs DK02-DK10 regarding the accounting treatment of land rights secondary.

In general, ISAK 36 regulates: (1) valuation in determining the accounting treatment related to a land right that looks at the substance of the land right and not its legal form; (2) accounting treatment related to land rights in accordance with PSAK 16, namely if a contractual provision provides rights that in substance resemble the purchase of fixed assets, including the provisions in paragraph 58 of PSAK 16 which stipulates that in general, land is not depreciated; and (3) accounting treatment related to the right to land in accordance with PSAK 73 that is, if the substance of a right to land does not shift control over the underlying asset and only gives the right to use the underlying asset for a period of time, then the substance of the right to the land is a lease transaction.

This ISAK had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes in future periods that require material adjustment to the carrying amounts of the assets or liabilities affected in future periods.

a. Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Indonesian rupiah. The Indonesian rupiah is the currency of the primary economic environment in which the Company operates and the currency that mainly influences revenue, costs and expenses.

Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2o.

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities in future periods are disclosed below. The Company based its assumptions and estimates on parameters available when the

financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions as they occur.

Provision for expected credit losses of trade receivables and other current financial assets (Effective beginning April 1, 2020)

The Company uses a provision matrix to calculate ECLs for trade receivables and other current financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Allowance for Impairment of Receivables (Effective prior to April 1, 2020)

The Company evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customers and the customers' current credit status based on any third-party credit reports (if available) and known market factors, to record specific provisions for customers against amounts due to reduce the

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

receivable amounts that it expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivables. Further details are disclosed in Note 5.

Estimation of Post-employment Benefits Liability

The pension cost and the present value of the pension obligation are determined using the projected-unit-credit method. Actuarial valuation includes making various assumptions which consist of, among other things, discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. Due to the complexity of the valuation and its underlying assumptions and long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions.

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in its assumptions may materially affect the costs and obligations of pension and other long-term employee benefits. Further details are disclosed in Note 17.

Estimating Useful Lives of Fixed Assets

The Company estimates the useful lives of its fixed assets based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least at the end of each financial year and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets.

It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any year will be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Company's fixed assets will increase the recorded operating expenses and decrease non-current assets. Further details are disclosed in Note 9.

Estimation of Tax Liability

In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Asset". The Company makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

4. CASH ON HAND AND IN BANKS

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Cash on hand				
Rupiah	81,000,000	58,284,249	5,559	3,561
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	3,745,700,851	619,825,594	257,048	37,871
PT Bank Central Asia Tbk	133,433,973	94,803,222	9,157	5,792
PT Bank Mandiri (Persero) Tbk	-	9,165,158	-	560
PT Bank BPD Bali	1,390,337	-	95	-
US dollars				
PT Bank Negara Indonesia (Persero) Tbk	512,719,819	132,513,943	35,185	8,096
Total	4,474,244,980	914,592,166	307,044	55,880

As of March 31, 2021 and 2020, none of the Company's cash and cash equivalents are restricted in use or used as collateral.

5. TRADE RECEIVABLES - THIRD PARTIES

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
City ledger	-	1,204,428,279	-	73,589
Guest ledger	-	-	-	-
Total	-	1,204,428,279	-	73,589

The aging analysis of trade receivables - third parties is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Current	-	835,364,775	-	51,040
Overdue :				
1-30 days	-	317,879,881	-	19,422
31- 60 days	-	26,060,672	-	1,592
Over 60 days	-	25,122,951	-	1,535
Total	-	1,204,428,279	-	73,589

Based on the review of the status of the individual receivable accounts at the end of the reporting period, management believes that all of the above trade receivables are fully collectible; hence, no allowance for impairment was provided as of March 31, 2020.

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company entered into transactions with related parties. Details of transactions and balances with related parties are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Due from related parties:				
Current:				
PT Waka Oberoi Indonesia	-	1,649,492,003	-	100,782
Non-current:				
PT Waka Gae Selaras	3,570,140,000	4,009,915,000	245,000	245,000
EIH International Ltd	-	2,963,850,929	-	181,087
EIH Holdings Ltd	-	1,743,445,574	-	106,522
Total	3,570,140,000	8,717,211,503	245,000	532,609

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Other current financial assets	-	7,610,655,000	-	465,000
Other payables:				
EIH Holdings Ltd	-	942,403,149	-	57,579
Due to hotel operator: (Note 14)				
EIH Holdings Ltd	-	52,450,915	-	3,205
Due to a shareholder				
EIH Holdings Ltd	22,047,436,000	-	1,513,000	-

Salaries and wages of the Company's key management personnel amounted to Rp624,771,953 (US\$42,138) and Rp1,329,258,169 (US\$92,781) in 2021 and 2020, respectively (unaudited).

On various dates from January to March 2021, the Company received non-interest bearing cash advances from EIH Holdings Ltd amounting to a total of US\$1,513,000 (Rp22,047,436,000) to support the operational needs of the Company for the year and in relation to the upcoming reopening of the hotel operations slated in the second quarter of the year 2022 operations.

On March 23, 2020, EIH Holdings Ltd transferred cash amounting to US\$465,000 (Rp7,610,655,000) as payments on behalf of PT Waka Oberoi Indonesia for amounts owed to the Company. The fund transfer was subsequently debited to the Company's cash in bank account on April 3, 2020; hence, the amount was presented as funds in transit under "Other current financial assets" account in the statement of financial position as of March 31, 2020.

Nature of relationship and types of transaction with related parties are as follows:

No.	Related Parties	Nature of Relationship	Types of Transaction
a.	PT Waka Gae Selaras	Shareholder	Advances
b.	EIH International Ltd	Shareholder	Advances and operating expenses
c.	EIH Holdings Ltd	Shareholder	Advances and operating expenses
d.	PT Waka Oberoi Indonesia	Under Common Control	Intercompany advances and share in proceeds from sale of vacation packages

7. INVENTORIES

Inventories consist of the following:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Materials and supplies	1,392,746,005	1,359,237,330	95,577	83,047
Beverages	744,818,550	904,107,193	51,113	55,240
Food	381,759,226	660,927,534	26,198	40,382
Tobacco	9,749,168	9,749,168	669	595
Total	2,529,072,949	2,934,021,225	173,557	179,264

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2021 and 2020 since the inventories are fully usable.

8. PREPAYMENTS AND ADVANCES

This account consists of the following:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Prepaid expenses - insurance	1,291,311,758	2,935,215,332	88,616	179,337
Prepaid expenses - others	121,774,643	521,421,413	8,356	31,858
Prepaid deferred cost of land rights	76,729,970	76,729,970	5,266	4,688
Advance on purchase	72,873,016	188,301,131	5,001	11,506
Total	1,562,689,387	3,721,667,846	107,239	227,389

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

Translations into U.S. Dollar (\$) - Unaudited (Note 2n)					
	Year Ended March 31, 2021				
	Beginning Balance	Additions	Deductions	Translation Adjustment	Ending Balance
Cost					
Land	5,795	-	-	713	6,508
Buildings	1,221,567	9,820	-	150,131	1,381,518
Rights-of-use assets (Note 18)	2,699,752	-	-	332,559	3,032,311
Structures and improvements	744,710	-	-	91,733	836,443
Machinery and equipment	482,754	-	-	59,466	542,220
Furniture, fixtures and equipment	1,697,795	-	-	209,137	1,906,932
Motor vehicles	121,016	-	-	14,906	135,922
Construction in progress	350,391	17,517	-	43,704	411,612
Total Cost	7,323,780	27,337	-	902,349	8,253,466
Accumulated Depreciation					
Buildings	525,381	57,197	-	64,459	647,037
Rights-use-of assets (Note 18)	69,468	78,379	-	8,205	156,052
Structures and improvements	526,323	45,980	-	64,626	636,929
Machinery and equipment	378,982	29,144	-	46,552	454,678
Furniture, fixtures and equipment	1,569,107	66,136	-	192,987	1,828,230
Motor vehicles	71,530	14,534	-	8,745	94,809
Total Accumulated Depreciation	3,140,791	291,370	-	385,574	3,817,735
Net Book Value	4,182,989				4,435,731

Translations into U.S. Dollar (\$) - Unaudited (Note 2n)					
	Year Ended March 31, 2020				
	Beginning Balance	Additions	Deductions	Translation Adjustment	Ending Balance
Cost					
Land	6,659	-	-	(864)	5,795
Buildings	1,341,876	58,745	-	(179,054)	1,221,567
Rights-of-use assets (Note 18)	-	3,104,882	-	(405,130)	2,699,752
Structures and improvements	855,705	-	-	(110,995)	744,710
Machinery and equipment	523,423	32,260	-	(72,929)	482,754
Furniture, fixtures and equipment	1,939,057	11,860	-	(253,122)	1,697,795
Motor vehicles	118,947	38,495	(28,186)	(8,240)	121,016
Construction in progress	412,942	83,603	(94,376)	(51,778)	350,391
Total Cost	5,198,609	3,329,845	(122,562)	(1,082,112)	7,323,780
Accumulated Depreciation					
Buildings	547,654	55,974	-	(78,247)	525,381
Rights-use-of assets (Note 18)	-	80,561	-	(11,093)	69,468
Structures and improvements	557,851	46,865	-	(78,393)	526,323
Machinery and equipment	401,401	34,028	-	(56,447)	378,982
Furniture, fixtures and equipment	1,716,737	86,141	-	(233,771)	1,569,107
Motor vehicles	88,613	11,609	-	-	71,530
Total Accumulated Depreciation	3,312,256	315,178	(28,186)	(506)	3,140,791
Net Book Value	1,886,353				4,182,989

Depreciation and amortization charged to operations amounted to Rp4,907,243,104 (US\$338,292) and Rp5,163,082,803 (US\$362,897) for the years ended March 31, 2021 and 2020, respectively. Depreciation arising from fixed assets amounted to Rp4,226,713,134 (US\$291,370) and Rp4,482,552,832 (US\$315,178) in 2021 and 2020, respectively. Depreciation arising from tax amnesty assets amounted to Rp603,800,000 (US\$41,656) and Rp603,800,000 (US\$42,339) in 2021 and 2020 (Note 12c) while amortization arising from deferred cost of landrights amounted to Rp76,729,970 (US\$5,266) and Rp76,729,970 (US\$5,380) in 2021 and 2020, respectively (Note 10).

The Company's land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificate No. 31 which is valid up to 2019. In January 2019, the Company had obtained certificate No.53 which pertains to the extension of the HGB. Based on the new certificate, the HGB is valid until 2039.

Fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies amounting to US\$48,450,000 (Rp706,013,400,000) and US\$48,450,000 (Rp792,981,150,000) as of March 31, 2021 and 2020, respectively. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

As of March 31, 2021 and 2020, the Company's management believes that there is no impairment in the assets value as contemplated in PSAK No. 48.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

10. OTHER NON-CURRENT ASSETS

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Deferred cost of landrights - net	1,285,226,998	1,361,956,837	88,197	83,214
Security deposits	-	13,650,000	-	834
Total	1,285,226,998	1,375,606,837	88,197	84,048

11. TRADE PAYABLES - THIRD PARTIES

This account consists mainly of liabilities to the Hotel's suppliers of goods and services amounting to Rp981,086,547 (US\$67,327) and Rp2,532,107,623 (US\$154,708) as of March 31, 2021 and 2020, respectively.

12. TAXATION

a. Taxes payable consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Development tax I	-	191,322,301	-	11,690
Income tax				
Article 21	71,495,373	149,110,692	4,906	9,110
Article 23	16,900,135	43,497,604	1,160	2,658
Article 25	-	257,964,145	-	15,761
Value added tax	100,043,432	129,980,345	6,866	7,941
Total	188,438,940	771,875,087	12,932	47,160

b. The reconciliation between the income tax expense derived by multiplying the loss before income tax by the applicable tax rate, and income tax expense (benefit) - net as shown in the statement of profit or loss and other comprehensive income is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Loss before income taxes	(26,473,937,850)	(8,432,437,345)	(2,056,126)	(290,448)
Tax expense at the applicable rate	(5,824,266,327)	(2,108,109,337)	(452,348)	(72,612)
Tax effect on permanent differences:				
Tax effect on changes in tax rate	9,329,576,683	(3,385,431,234)	640,240	(236,948)
Interest income already subjected to final tax	-	(12,872,355)	-	(901)
Non-deductible expenses	940,548,548	487,673,145	64,545	34,132
Translation adjustments	-	-	45,212	(39,174)
Income tax expense (benefit)				
Current year	4,445,858,904	(5,018,739,781)	297,649	(315,503)
Prior year	(1,669,413,416)	(276,652,511)	(114,563)	(19,363)
Total	2,776,445,488	(5,295,392,292)	183,086	(334,866)

Estimated claims for tax refund as of March 31, 2021 and 2020 consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Estimated claims for tax refund				
2021	1,763,956,071	-	142,895	-
2020	2,902,438,492	2,902,438,492	177,335	177,335
Total	4,666,394,563	2,902,438,492	320,230	177,335

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

In August 2018, the Company received tax assessment letter from the Tax Office related to the underpayment of income tax articles 21, 23, 25, and 26 for the fiscal year 2017 for a total underpayment of Rp1,692,795,502 (US\$117,563). The settlement of underpayment related to articles 21, 23 and 26 in September 2018 was presented as part of "General and administrative expenses" whereas the settlement of underpayment related to article 25 in September 2018 was presented as part of "Income tax expense - net" in the statement of profit or loss and other comprehensive income.

The Company has filed an objection letter to the Tax Office dated November 26, 2018 related to the underpayment of corporate income tax. Based on the objection letter, the Company stated that they are in overpayment position of article 25 amounting to Rp1,480,327,843 (US\$103,926) instead of underpayment of Rp698,607,276 (US\$49,402). On September 30, 2019, the Tax Office partially approved the management objection wherein the objection related to the entertainment fiscal correction totaling to Rp1,106,610,443 (US\$78,073) was approved while the objection on promotional expenses totaling to Rp6,677,653,663 (US\$471,120) was rejected by the Tax Office. Thus, the total underpayment was reduced from Rp698,607,276 (US\$49,402) to Rp283,628,360 (US\$20,010) including the interest which was presented under "Income tax expense - net" in the statement of profit or loss and other comprehensive income.

On January 14, 2020, the Company filed a request to the Tax Office to appeal on the correction of promotional expense. In response, the Tax Office issued the "Surat Uraian Banding" dated April 28, 2020 stating that the Tax Office is suggesting Tax Court to reject the Company request to appeal. The Company had filed its rebuttal to the "Surat Uraian Banding" dated August 13, 2020 and closing statement to Tax Court on September 25, 2020. On February 17, 2021, the Directorate General Tax approved the appeal letter from the Company, related to the promotional expenses totaling to US\$471,120 (Rp6,677,653,663). Based on the results of the hearing of the Tax Court Decision, the total amount to be refunded by the Tax Office is Rp1,763,956,203 (25% of Rp6,677,653,663) plus tax penalty which has been paid in full in tax audit level amounting to Rp94,542,787.

- c. On March 30, 2017, the Company submitted a list of fixed asset items not yet registered in the Company's tax report up to 2015 to be administered under the tax amnesty program of the tax authority. These assets are in the form of paintings worth Rp3,019,000,000 (US\$226,635) which are separately presented as part of "Non-current assets". The Company received the approval for tax amnesty program application from the Ministry of Finance in its decision letter dated April 28, 2018.

The movements of the tax amnesty assets are as follows:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Net book value at beginning of year	1,257,916,663	1,861,716,663	76,857	130,702
Depreciation during the year (Note 9)	(603,800,000)	(603,800,000)	(41,656)	(42,339)
Translation adjustment	-	-	9,688	(11,506)
Net book value at end of year	654,116,663	1,257,916,663	44,889	76,857

- d. Deferred tax assets - net consists of:

	Indonesian Rupiah			
	Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2020	Profit or Loss	Other Comprehensive Income	March 31, 2021
Deferred tax assets				
Employee benefits liability	3,581,257,519	(2,037,591,064)	(45,600,945)	1,498,065,510
Reserve for replacement of furniture, fixtures and equipment	3,030,219,836	(1,341,748,219)	-	1,688,471,617
Interest expense	1,623,360,640	(866,796,033)	-	756,564,607
Loss on foreign exchange	1,271,070,601	(1,071,465,687)	-	199,604,914
Total deferred tax assets	9,505,908,596	(5,317,601,003)	(45,600,945)	4,142,706,648
Deferred tax liabilities				
Depreciation and amortization - net	(144,553,812)	183,287,545	-	38,733,733
Lease depreciation	(571,793,994)	688,454,554	-	116,660,560
Net deferred tax assets	8,789,560,790	(4,445,858,904)	(45,600,945)	4,298,100,941

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

Indonesian Rupiah				
Deferred tax Benefit (Expense) Credited (Charged) to				
	April 1, 2019	Profit or Loss	Other Comprehensive Income	March 31, 2020
Deferred tax assets				
Employee benefits liability	2,567,043,618	1,007,260,273	6,953,628	3,581,257,519
Reserve for replacement of furniture, fixtures and equipment	1,649,903,451	1,380,316,385	-	3,030,219,836
Interest expense	-	1,623,360,640	-	1,623,360,640
Loss on foreign exchange	-	1,271,070,601	-	1,271,070,601
Total deferred tax assets	4,216,947,069	5,282,007,899	6,953,628	9,505,908,596
Deferred tax liabilities				
Depreciation and amortization - net	(648,759,068)	504,205,256	-	(144,553,812)
Lease depreciation	-	(571,793,994)	-	(571,793,994)
Net deferred tax assets	3,568,188,001	5,214,419,161	6,953,628	8,789,560,790

Translations into U.S. Dollar (\$) - Unaudited (Note 2n)					
Deferred tax Benefit (Expense) Credited (Charged) to					
	April 1, 2020	Profit or Loss	Other Comprehensive Income	Translation Adjustment	March 31, 2021
Deferred tax assets					
Employee benefits liability	280,500	(139,944)	(3,132)	-	137,424
Reserve for replacement of furniture, fixtures and equipment	224,472	(92,153)	-	-	132,319
Interest expense	113,624	(59,533)	-	-	54,091
Total deferred tax assets	618,596	(291,630)	(3,132)	-	323,834
Deferred tax liabilities					
Depreciation and amortization - net	(32,024)	12,588	-	-	(19,436)
Lease liability	(40,021)	47,284	-	-	7,263
Translation adjustment	(9,522)	-	-	(7,183)	(16,705)
Net deferred tax assets	537,029	(231,758)	(3,132)	(7,183)	294,956

Translations into U.S. Dollar (\$) - Unaudited (Note 2n)					
Deferred tax Benefit (Expense) Credited (Charged) to					
	April 1, 2019	Profit or Loss	Other Comprehensive Income	Translation Adjustment	March 31, 2020
Deferred tax assets					
Employee benefits liability	210,908	69,105	487	-	280,500
Reserve for replacement of furniture, fixtures and equipment	127,526	96,946	-	-	224,472
Interest expense	-	113,624	-	-	113,624
Total deferred tax assets	338,434	279,675	487	-	618,596
Deferred tax liabilities					
Depreciation and amortization - net	(67,305)	35,281	-	-	(32,024)
Lease liability	-	(40,021)	-	-	(40,021)
Translation adjustment	(20,624)	-	-	11,102	(9,522)
Net deferred tax assets	250,505	274,935	487	11,102	537,029

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

13. ACCRUED EXPENSES

The details of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
			Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Salaries and employee benefits	1,659,299,639	1,504,639,639	113,869	91,931
Tax consultant fees	1,063,137,898	943,114,418	72,958	57,623
Audit and consultant fees	428,092,794	647,431,995	29,378	39,557
Heat, light and power	192,363,621	641,403,215	13,201	39,189
Others	502,283,167	1,468,506,463	34,468	89,724
Total	3,845,177,119	5,205,095,730	263,874	318,024

14. DUE TO HOTEL OPERATOR

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
			Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Balance at beginning of year	52,450,915	101,887,334	3,599	7,153
Management fee - 12.5% of hotel Gross operating profit (Note 27a)	-	1,520,731,529	-	86,821
Payments	(52,450,915)	(1,285,336,106)	(3,599)	(90,769)
Unrealized loss (gain) on foreign exchange - net	-	(284,831,842)	-	-
Balance at end of year	-	52,450,915	-	3,205

15. RESERVE FOR REPLACEMENT OF FURNITURE, FIXTURES AND EQUIPMENT

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
			Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Balance at beginning of year	8,439,766,917	6,599,613,796	515,658	463,326
Provisions during the year (Note 24)	-	2,593,725,879	-	183,949
Utilization of reserve	(42,992,770)	(753,572,758)	(2,950)	(53,635)
Translation adjustment	-	-	63,519	(77,982)
Balance at end of year	8,396,774,147	8,439,766,917	576,227	515,658

16. OTHER CURRENT LIABILITIES

This account consists of :

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
			Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Deposits from customers	3,169,023,832	5,872,373,856	217,473	358,794
Service charge	-	170,318,920	-	10,406
Others	77,750,148	1,330,335,895	5,336	81,276
Total	3,246,773,980	7,373,028,671	222,809	450,476

17. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The company's long-term employee benefits liability consists only of post-employment benefits.

The calculation of the employee benefits liability as of March 31, 2020 was calculated in accordance with Law No. 13/2003 and with the Collective Labor Agreement which were still in effect as of December 31, 2020. On February 2, 2021, the Government promulgated Government Regulation Number 35 Year 2021 (PP 35/2021) to implement the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja), which aims to create the widest possible employment opportunities. PP 35/2021 regulates the work agreement for a certain period

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

(non-permanent employees), outsourcing, working time, rest time and termination of employment, which can affect the minimum benefits that must be provided to employees. The Company has evaluated the impact and has calculated the employee benefits liability as of March 31, 2021 in line with PP35/2021. Management believes that the balance of employee benefits liability is sufficient to cover the minimum benefits required under the Law.

The following tables summarize the components of employee benefit expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the statement of financial position as employee benefits liability as of March 31, 2021 and 2020 as determined by PT Lastika Dipa, an independent actuary, in their reports dated March 31, 2021 and April 10, 2020, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2021 and 2020, are as follows:

Discount rate	: 7.95% in 2021 and 8.73% in 2020
Annual salary increase	: 8.5% in 2021 and 2020
Mortality	: TMI IV in 2021 and TMI III in 2020
Retirement age	: 57 years in 2021 and 55 years in 2020
Disability rate	: 5% of mortality table TMI IV in 2021 and TMI III in 2020

a. Details of post-employment benefits expense:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Past Service Cost	1,648,006,275)	-	(113,187)	-
Current service cost	485,612,591	950,122,404	33,353	66,499
Interest cost	571,652,073	714,004,955	39,262	43,625
Total post-employee benefits expense	(590,741,611)	1,664,127,359	(40,572)	110,124

b. Details of post-employment benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Present value of defined benefits obligation	7,398,121,351	9,902,688,266	507,694	605,040

c. Movements in post-employment benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Beginning balance	9,902,688,266	10,268,054,464	605,040	720,869
Provision during the year - net	(590,741,611)	1,664,127,359	(40,572)	110,124
Payment during the year	(1,706,548,279)	(2,061,100,959)	(117,208)	(144,257)
Actuarial loss (gain) from				
Experience adjustment	(903,098,319)	(121,292,840)	(62,026)	(8,489)
Demographic assumption	(2,202,442)	-	(151)	-
Change in financial assumption	698,023,736	152,900,242	47,941	10,702
Translation adjustment	-	-	74,670	(83,909)
Employee benefits liability	7,398,121,351	9,902,688,266	507,694	605,040

d. The expected total undiscounted benefit payments in Indonesian rupiah for the subsequent years are as follows:

Within the next 12 months (the next annual reporting year)	: 1,166,400,427
Between 2 and 5 years	: 2,208,012,442
Between 5 and 10 years	: 5,482,414,402
Beyond 10 years	: 110,162,252,248

The average duration of the long-term employee benefits liability is 18.86 years.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

- e. The effect of a one-percentage point change in discount rate and salary increase rate on long-term employee benefits liability for the year ended March 31, 2021 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	Discount Rate	Salary Rate	Discount Rate	Salary Rate
Increase by 1%	(649,020,763)	745,233,205	(44,539)	51,141
Decrease by 1%	761,351,037	(647,523,673)	52,248	(44,436)

18. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

The Company has entered into lease contracts of land in its operations wherein the lease term is valid from 2019 to 2057. The Company also has certain lease of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rights-of-use assets represent assets from lease contracts for land valid until 2057 amounting to Rp43,929,840 (US\$3,032,311) and Rp44,186,840,610 (US\$3,104,882) with accumulated depreciation amounting to Rp2,273,995,988 (US\$78,379) and Rp1,136,997,994 (US\$80,561) as of March 31, 2021 and 2020, respectively. There is no transfer of ownership option for the lease. As of March 31, 2021 and 2020, the depreciation of the rights-of-use assets amounted to Rp1,136,997,994 (US\$78,739) and Rp1,136,997,994 (US\$80,561), respectively, and presented as "Depreciation expense" in the statement of profit and loss and other comprehensive income.

The following are the amounts recognized in statement of profit or loss and other comprehensive income:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Interest expense on lease liabilities	1,838,274,325	1,336,601,481	127,611	93,549
Depreciation expense of rights-of-use assets	1,136,997,994	1,136,997,994	78,379	80,561
Expense related to short-term leases	86,532,964	303,662,795	5,943	21,254
Total	3,061,805,283	2,777,262,270	211,933	195,364

The roll forward analysis of lease liabilities are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Beginning balance	44,348,974,608	38,255,757,280	2,709,658	2,688,199
Interest expense	1,838,274,325	1,336,601,481	127,611	93,549
Payments	(267,687,961)	(1,020,977,797)	(17,454)	(72,090)
Foreign exchange loss (gains)	(4,829,216,011)	5,777,593,644	-	-
Total	41,090,344,961	44,348,974,608	2,819,815	2,709,658
Less current maturities portion	(4,357,567,847)	(1,605,168,539)	(299,037)	(98,073)
Total	36,732,777,114	42,743,806,069	2,520,778	2,611,585

Shown below is the maturity analysis of the undiscounted lease payments:

	March 31, 2021,	
	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2n)
1 year	1,564,826,460	107,385
More than 1 years to 2 years	3,129,652,920	214,771
More than 2 years to 3 years	3,129,652,920	214,771
More than 3 years to 4 years	3,442,617,404	236,248
More than 5 years	86,835,547,311	5,959,068
Total	98,102,297,015	6,732,243

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

19. FINANCIAL ASSETS AND LIABILITIES

The following table sets forth the estimated fair values, which are equal to the carrying amounts, of the financial assets and financial liabilities of the Company:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Financial Assets - Financial Assets Measured at Amortized Cost				
Cash on hand and in banks	4,474,244,980	914,592,166	307,044	55,880
Trade receivables - third parties	-	1,204,428,279	-	73,589
Other receivables - third parties	-	95,563,795	-	5,839
Other current financial assets	144,869,127	7,684,800,076	9,942	469,530
Due from related parties	3,570,140,000	10,366,703,506	245,000	633,391
Other non-current assets - security deposits	-	13,650,000	-	834
Total Financial Assets	8,189,254,107	20,279,737,822	561,986	1,239,063
Financial Liabilities - Financial Liabilities Measured at Amortized Cost				
Trade payables - third parties	981,086,547	2,532,107,623	67,327	154,708
Other payables	1,768,184	1,369,179,254	121	83,654
Accrued expenses	3,845,177,119	5,205,095,730	263,874	318,024
Due to hotel operator	-	52,450,915	-	3,205
Due to a shareholder	22,047,436,000	-	1,513,000	-
Lease liability	41,090,344,961	44,348,974,608	2,819,815	2,709,658
Other current financial liabilities - deposits from customers	3,169,023,832	5,872,373,856	217,473	358,794
Total Financial Liabilities	71,134,836,643	59,380,181,986	4,881,610	3,628,043

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 to the Company.

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.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Current financial assets and liabilities:

- Current financial instruments with remaining maturities of one year or less (cash and cash equivalents, trade receivables, other receivables,

other current financial assets, due from related parties, trade payables, other payables, accrued expenses, due to hotel operator, other current financial liabilities) and due to a shareholder .

The carrying values of the Company's current financial assets and liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

Non-current financial asset:

- Long-term financial assets (other non-current financial assets)

The fair values of other non-current financial assets are assumed to be the same as the cash amount that will be received due to the fact that the maturity of such financial assets is not stated in related contract and the management is not yet able to determine when the financial assets will be realized.

Non-current financial liability:

- Lease liability

Fair value of the lease liabilities is based on the present value of expected future cash flows using the appropriate discount rates.

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

20. CAPITAL STOCK

The share ownership details as of March 31, 2021 and 2020 are as follows:

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Translations into U.S. Dollar (\$)	
			Amount	Unaudited (Note 2n)
EIH Holdings Ltd	5,412	48.89	541,200,000	268,289
PT Waka Gae Selaras	3,321	30.00	332,100,000	252,064
EIH International Ltd	2,337	21.11	233,700,000	139,250
Total	11,070	100.00	1,107,000,000	659,603

Based on the minutes of the Company's annual general meetings of shareholders, the shareholders resolved to, among others, declare cash dividends as follows:

21. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Room Department				
Lanai	-	41,980,643,804	-	2,977,956
Villa	-	18,899,957,506	-	1,339,566
Total Room Department	-	60,880,601,310	-	4,317,522
Food and Beverages Department				
Food	-	14,236,965,380	-	1,010,260
Beverage	-	5,741,883,817	-	406,860
Others	-	188,542,790	-	13,416
Total Food and Beverages Department	-	20,167,391,987	-	1,430,536
Other Operating Departments				
Health spa	-	2,138,600,462	-	151,718
Boutique	-	1,481,150,634	-	105,061
Others	-	1,789,784,926	-	126,766
Total Other Operating Departments	-	5,409,536,022	-	383,545
Total Departmental Revenues		86,457,529,319		6,131,603

In 2020, the average hotel room occupancy rate was 52.2% (unaudited).

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

22. COST OF GOODS SOLD AND SERVICES

The details of cost of goods sold and services are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Food and Beverages	-	5,876,711,190	-	416,851
Payroll and Related Expenses	-	-	-	-
Salaries and wages	5,497,361,678	10,620,508,644	417,406	860,884
Employee benefits	3,010,189,742	6,700,095,970	166,640	366,060
Total Payroll and Related Expenses	8,507,551,420	17,320,604,614	584,046	1,226,944
Other Expenses	-	-	-	-
Security	896,567,315	1,561,831,138	61,448	110,626
Cable television and music	85,914,000	181,422,697	5,909	12,851
Cleaning and guest supplies	69,406,028	2,425,216,335	6,657	171,869
Travel agents	54,021,375	5,362,440,181	3,774	380,192
Printing and stationery	53,901,714	459,033,758	3,700	32,419
Linens and uniforms	20,157,000	695,942,302	1,366	49,327
Kitchen fuel	6,987,500	233,601,123	490	16,543
Laundry	5,278,827	863,006,318	341	61,209
Transportation and travel	3,510,127	267,869,870	243	18,993
Decoration	2,520,500	655,872,014	169	46,509
Consultant fees	1,293,536	201,676,277	84	14,304
Welcome drinks, fruit baskets and amenities	97,000	492,141,569	7	34,896
Mineral water and ice	36,500	188,407,867	2	13,360
Boutique	-	997,776,815	-	70,760
Cultural music and shows	-	642,930,000	-	45,539
Guest newspaper	-	168,052,210	-	11,911
Others (each below Rp100 million)	382,444,773	1,647,190,690	24,710	117,112
Total Other Expenses	1,582,136,195	17,044,471,164	108,900	1,208,420
Cost of Goods Sold and Services	10,089,687,615	40,241,786,968	692,946	2,852,215

23. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Salaries and wages	3,206,246,044	6,356,177,561	220,309	437,696
Professional fees	384,681,034	1,443,956,803	26,436	115,446
Data processing	248,132,173	486,106,203	17,058	34,436
Telephone and communication	110,166,089	23,587,768	7,563	1,865
Transportation and traveling	68,625,417	446,905,934	4,826	31,659
Commission on credit cards	8,587,974	1,664,609,355	592	118,155
Executive	-	126,166,897	-	8,938
Others	364,022,158	1,080,646,898	24,965	75,640
Total	4,390,460,889	11,628,157,419	301,749	823,835

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

24. PROPERTY OPERATIONS, MAINTENANCE AND ENERGY EXPENSES

The details of property operations, maintenance and energy expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Repairs and maintenance	1,521,608,785	5,398,473,918	104,712	390,844
Salaries and wages	682,784,425	1,349,695,649	46,881	95,608
Water	872,508,976	2,410,608,899	59,672	161,641
Electricity	693,597,958	2,678,838,790	47,549	189,980
Gas	15,434,843	85,150,144	1,073	6,048
Telephone	6,569,026	8,887,690	449	630
Fuel	2,203,128	4,442,047	153	314
Light bulbs	1,226,118	112,859,256	85	8,014
Laundry	247,880	24,290,404	16	1,722
Provision for replacement of furniture, fixtures and equipment (Note 15)	-	2,593,725,879	-	183,949
Uniforms	-	29,536,824	-	2,089
Others	8,827,112	25,055,010	607	1,776
Total	3,805,008,251	14,721,564,510	261,197	1,042,615

25. MARKETING AND SALES PROMOTION EXPENSES

The details of marketing and sales promotion expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	Year Ended March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Salaries and wages	491,486,649	1,065,104,341	33,768	75,443
Sales representation	284,010,445	1,574,809,053	19,839	110,999
Advertising and promotion	156,926,722	1,147,083,933	10,904	81,207
Public relations	80,201,916	747,065,201	5,586	52,592
Telephone and communication	13,307,456	26,898,692	934	1,902
Printing and stationery	7,950,342	52,974,500	279	3,755
Marketing and sales promotion (Note 26a)	-	2,593,725,879	-	183,948
Transportation and travel	-	176,608,334	17	12,679
Others	17,938,116	315,898,258	1,526	22,198
Total	1,051,821,646	7,700,168,191	72,853	544,723

26. Other Income

In the last quarter of 2020, the Central Government identified hotels and restaurants to receive tourism grants through the Decree (SK) of the Regent of Badung number 67/054/HK/2020 according to the technical instructions from the Tourism Ministry, the amount of which will be calculated by the government based on the tax contribution subject to certain ceiling. In December 2020, the Company received cash grant from the government amounting to Rp1,931,871,601 (US\$135,143) for operating expenditures. The Company has fully utilized the grant and has no excess grant to be returned to the government. Remaining amount pertains to interest from bank.

27. SIGNIFICANT AGREEMENTS AND CONTINGENCY

a. Hotel Operator Agreement

The Company entered into a Hotel Operation Agreement with EIH Management Services B.V. (the Operator) to manage and operate the Hotel effective December 31, 1998. On July 22, 2000, the Company signed a Renewal Agreement whereby the original term was extended until February 1, 2032. Following the change in ownership on September 27, 2018 (Note 20) from EIH Management Services B.V. to EIH Holdings Ltd, the assignment of EIH Management Services B.V as the hotel operator was also transferred to EIH Holdings Ltd with all terms and conditions retained and effective.

The Operator has automatic and irrevocable options to extend the Agreement for another 10 or 20 years. Under the agreement, the Hotel Operator is entitled to a fee of 12.5% of the total gross operating profit. Also, under the agreement, the Hotel Operator is entitled to pay out of the gross operating revenue and as part of gross operating

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

expenses, an amount equal to 3% of the Hotel gross operating revenue for marketing and sales promotion expenses. Any loss incurred by the Hotel in any financial year shall be borne exclusively by the Company.

b. Legal Claim from PT Inter Sport Marketing (ISM)

In 2015, the Company was sued by PT Inter Sport Marketing (ISM) related to the airing of live broadcast of FIFA World Cup 2014 in the Company's commercial area without any license from ISM (which claimed to hold the official license for live broadcasting of FIFA World Cup 2014). In April 2018, ISM filed its claim to Surabaya Commercial court against the Company. Based on claim filed to the court, the Company was demanded to pay a compensation to ISM for a total amount of Rp203,700,000,000.

In September 12, 2018, the court has declared that PT ISM is granted a compensation of Rp500,000,000. Subsequently, the Company has filed memorial cassation dated October 8, 2018 to the Surabaya Commercial court. On October 24, 2018, the Company has received its counter memorial cassation from PT ISM stating that they disagree with the compensation awarded. In 2020, the Supreme Court has rendered a judgment that awards ISM with a compensation of Rp100,000,000 and nothing else. The Company has recognized a provision related to the compensation.

28. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Information concerning monetary assets and liabilities denominated in foreign currencies as of March 31, 2021 and their rupiah equivalents converted using the middle exchange rates that were published by Bank Indonesia follows:

	Amount in Foreign Currencies		Rupiah Equivalents
Assets			
Cash and cash equivalents	US\$	35,185	512,719,819
Due from related parties	US\$	245,000	3,570,140,000
Other current assets	US\$	9,942	144,869,127
Total			4,227,728,946
Liabilities			
Due to a shareholder	US\$	1,513,000	22,047,436,000
Lease liabilities	US\$	2,690,845	41,090,344,961
Total			63,137,780,961
Net Liabilities			58,910,052,015

The translation of the foreign currency liabilities, net of foreign currency assets, should not be construed as a representation that these foreign currency assets and liabilities have been, could have been, or could in the future be, converted into rupiah at the prevailing exchange rates of the rupiah as of March 31, 2021 or at any other rates of exchange.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The management reviews and approves policies for managing each of these risks, which are described in more details as follows:

a. Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company's reporting currency is rupiah, it is exposed to exchange rate fluctuations primarily from its trade receivables from revenues in foreign currencies.

The Company does not have any formal hedging policy for foreign exchange exposure since it is not

considered as necessary. However, the Company maintains transactions and balances in foreign currencies other than rupiah in connection with regular operations at a minimum level.

b. Credit risk

Credit risk is the risk that the Company will incur loss arising from its customers or counterparties that fail to discharge their contractual obligations. There are no significant concentrations of credit risk. The Company manages and controls this credit risk by setting limits on the amount of risk it is willing to accept for individual customers and by monitoring exposures in relation to such limits. The maximum exposure of the financial instruments is equal to the carrying values as disclosed in Note 19.

c. Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash deemed adequate to finance the Company's operations and capital expenditures, service its maturing debts and to mitigate the effects of fluctuation in cash flows.

The Company also regularly evaluates its projected and actual cash flows and continuously assesses

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

conditions in the financial markets to maintain its payable and receivable days' stability.

Except for the long-term employee benefit liability and lease liability, all of the Company's liabilities will be due in one year. The Company has current ratio at 0.20 and 0.66 as of March 31, 2021 and 2020, respectively.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy cash flows in order to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital or issue new shares.

For the year ended March 31, 2021, the Company has incurred total comprehensive loss of Rp29,088,707,258 (US\$1,772,571) and its total current liabilities exceeded its total current assets by Rp34,354,146,321 (US\$2,357,545) as at March 31, 2021. The Company has deficit of Rp1,861,477,203 (retained earnings of US\$2,535,071) with a positive equity of Rp626,413,535 (US\$42,986) as at March 31, 2020. The losses incurred were mainly due to the impact of novel coronavirus disease 2019 (COVID-19) during the entire fiscal year 2020-2021 whereby travel restrictions were imposed globally and by the local government of Bali.

The outbreak of COVID-19 pandemic has severely impacted the travel and hospitality sectors worldwide. The Indonesian tourism industry and especially the tourism sector in Bali has also been hugely affected by the effects of the pandemic, stoppage of commercial flights and closing of international borders.

As part of its continuing efforts to respond to and manage the effects of the aforementioned conditions, the Company has undertaken and is continuously implementing the following measures, among others:

- Closure of mainline hotel operations as well as food and beverage outlets until government declares tourism and hotel activities are safe to resume; and,
- Cost-cutting measures including human resources shifting, contracts assessments, utilities and housekeeping reduction, suspension of services not required, suspension of sales representation with cancellation of sales travel and capping a minimum budget expenditure until operations return to normalcy.

The Company will continuously assess the above measures throughout the duration of the outbreak.

With the rapid vaccination in progress in Europe, UK and USA and also start of vaccination in Indonesia, there is hope that international borders restriction would be removed soon. The Company's estimates gradual lifting of airline travel restrictions and opening of international borders in a phased manner with a slow start of operations in 2nd quarter, with business gradually improving in 3rd and 4th quarters; Continued cost rationalization measures will be enforced, throughout the year.

The Company will continuously assess the above measures throughout the duration of the outbreak.

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 70% shareholdings in the Company, have provided a written confirmation on its intention and ability to provide financial support if and when required by the Company to allow it to continue as a going concern entity.

As of the completion date of the financial statements, the probability of the success of the Company's continuing efforts will still be affected by some uncontrollable factors including uncertainty in the extent and duration of the impact of COVID-19.

The financial statements have been prepared assuming that the Company will continue as a going concern entity. The financial statements did not include any adjustment that might result from these uncertainties.

30. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS

The following are revised accounting standards issued by the Indonesian Financial Accounting Standards Board that are relevant to the financial statements but are effective only for financial statements covering the periods beginning on or after April 1, 2021:

Effective beginning on or after April 1, 2021:

- a. Amendments to PSAK 73: Covid-19 Related Rent Concessions.

On May 30, 2020, the DSAK IAI published Covid-19-Related Rent Concessions - amendment to PSAK 73: Leases. The amendments provide relief to lessees from applying PSAK 73 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

Covid-19 related rent concession the same way it would account for the change under PSAK 73, if the change were not a lease modification. This amendment has no impact on the financial statements of the Company.

b. Amendments to PSAK 22: Definition of Business.

The amendment to PSAK 22 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

c. Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract Fulfillment Costs

This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract. The amendments to PSAK 57 provide that costs to fulfill a contract comprise of costs that are directly related to the contract. Costs that are directly related to the contract consist of (1) incremental costs to fulfill the contract, and (2) allocation of other costs that are directly related to fulfilling the contract.

An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Earlier application is permitted. An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the

opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Earlier application is permitted

Effective beginning on or after April 1, 2022:

d. 2020 Annual Improvements - PSAK 71: Financial Instruments

This improvements clarifies the fees that are recognized by the borrower in relation to derecognition of financial liabilities. In determining the fee to be paid after deducting the fee received, the borrower only includes the fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on other's behalf. An entity applies the improvements to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. Earlier application is permitted.

Effective beginning on or after April 1, 2023:

e. Amendments to PSAK 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments must be applied retrospectively. Earlier application is permitted.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

31. NON-CASH ACTIVITIES

Supplementary information to the statement of cash flows relating to non-cash activities are as follows:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	Year ended March 31,		Year ended March 31,	
	2021	2020	2021	2020
Additions to fixed assets charged to:				
Other payables	34,265,000	150,055,000	2,438	10,675
Deduction to lease liability				
credited to due from related party	-	913,761,523	-	64,865
Initial recognition of lease liability	-	38,255,757,280	-	2,688,199

Notes to the Financial Statements

As of March 31, 2021 and for the Year Then Ended

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities for the years ended March 31, 2021 and 2020 are as follows:

	Year Ended March 31, 2021				Ending Balance
	Beginning Balance	Cash flows	Foreign Exchange	Others	
Lease liability	44,348,974,608	(267,687,961)	(4,850,487,414)	1,859,545,728	41,090,344,961
Due to a shareholder	-	22,047,436,000	-	-	22,047,436,000
Total	44,348,974,608	21,779,748,039	(4,850,487,414)	1,859,545,728	63,137,780,961

	Year Ended March 31, 2020				Ending Balance
	Beginning Balance	Cash flows	Foreign Exchange	Others	
Lease liability	-	(107,216,274)	5,777,593,644	38,678,597,238*	44,348,974,608

* Represents the present value of future lease payments as of April 1, 2019

PT Waka Oberoi Indonesia

BOARD

Mr. I Ketut Siandana
Mr. Deepak Madhok
I Wayan Pasek

AUDITORS

Purwantono, Sungkaro & Surja
A member firm of Ernst & Young Global Limited
Indonesia Stock Exchange Building
Tower 2, 7th Floor,
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190,
Indonesia

REGISTERED OFFICE

Patai Medana,
Desa Sigar Penjalin-
Tanggung-Lombok Utara-NTB
Indonesia

Report of the Directors

We present the report and the audited financial statements of PT Waka Oberoi Indonesia (the “Company”) for the year ended March 31, 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company is hotel ownership and management.

RESULTS

The Company’s financial position and results of operations as of and for the year ended March 31, 2021 are set out in the financial statements on pages 1 to 5 preceded by the independent auditors’ report.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

We are responsible for the preparation and the presentation of the financial statements, and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We are also responsible for the Company’s internal control systems and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements of the Company, we are required to:

- select suitable accounting policies and then apply them consistently;
- prepare and present the financial statements in accordance with Indonesian Financial Accounting Standards;
- make judgements and estimates that are reasonable and prudent;

We confirm that we have complied with the above requirements in preparing the financial statements and all information contained in the financial statements are complete and correct. The financial statements do not contain or omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, April 26, 2021

On behalf of the Board of Directors

I Wayan Pasek
President Director

Independent Auditor's Report

Report No. 00655/2.1032/AU.1/10/1175-6/1/IV/2021

The Stockholders and Boards of Commissioners and Directors PT Waka Oberoi Indonesia

We have audited the accompanying financial statements of **PT Waka Oberoi Indonesia**, which comprise the statement of financial position as of March 31, 2021, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Waka Oberoi Indonesia as of March 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

OTHER MATTER

Our audit was conducted for the purpose of forming an opinion on the basic Indonesian rupiah financial statements taken as a whole. The translations of the Indonesian rupiah amounts into United States dollar have been made on the basis set forth in Note 2n to the financial statements and are presented for purposes of additional analysis only and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion thereon.

Purwantono, Sungkaro & Surja

TJOA TJEK NIEN, CPA

Public Accountant Registration No. AP.1175

April 26, 2021

Statement of Financial Position

As of March 31, 2021

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

	Note	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
		As at March 31, 2021	As at March 31, 2020	Unaudited (Note 2n) As at March 31, 2021	As at March 31, 2020
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2c, 2o, 4, 24, 25	1,138,740,376	1,712,599,189	78,146	104,637
Trade receivables – net	2o, 5, 24, 25	-	285,216,213	-	17,426
Inventories	2e,6	1,055,159,131	1,049,030,581	72,410	64,094
Prepayments and advances	2f,7	1,659,678,943	2,118,525,019	113,895	129,439
Other current financial assets	2o,24,25	28,873,592	26,268,485	1,981	1,605
TOTAL CURRENT ASSETS		3,882,452,042	5,191,639,487	266,432	317,201
NON-CURRENT ASSETS					
Fixed assets - net	2g,8	52,534,935,164	56,042,186,357	3,605,197	3,424,095
Tax amnesty assets - net	2m,11d	104,866,667	181,866,667	7,196	11,112
Other non-current financial assets	2o, 24, 25	126,615,000	126,615,000	8,690	7,736
Deferred Tax Assets	2m,11c	3,510,649,556	-	240,917	-
TOTAL NON-CURRENT ASSETS		56,277,066,387	56,350,668,024	3,862,000	3,442,943
TOTAL ASSETS		60,159,518,429	61,542,307,511	4,128,432	3,760,144
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	2o, 9, 24, 25	261,375,898	607,281,753	17,937	37,104
Other payables	2o, 10, 24, 25				
Third parties		314,954,975	1,007,373,539	21,614	61,549
Related party	13	-	1,513,538,325	-	92,475
Taxes payable	2m,11a	175,962,886	393,496,844	12,075	24,042
Accrued expenses	2o,12, 25	2,991,159,328	3,760,447,056	205,268	229,758
	2d,2o,				
Due to related parties	13, 24, 25	24,947,818,173	30,816,108,440	1,712,038	1,882,819
Reserve for replacement of furniture, fixtures and equipment	2i,14	7,681,618,077	7,777,372,077	527,149	475,186
Other current financial liabilities	2o,15, 24, 25	722,420,128	1,820,231,244	49,576	111,214
TOTAL CURRENT LIABILITIES		37,095,309,465	47,695,849,278	2,545,657	2,914,147
NON-CURRENT LIABILITY					
Employee benefits liability	2j,16	4,343,771,288	5,036,745,145	298,090	307,738
Deferred tax liability	2m, 11c	-	42,047,811	-	2,569
TOTAL NON-CURRENT LIABILITIES		4,343,771,288	5,078,792,956	298,090	310,307
TOTAL LIABILITIES		41,439,080,753	52,774,642,234	2,843,747	3,224,454
EQUITY					
Capital stock A series - Rp180,000 par value Authorized, issued and fully paid - 129,385 shares	17	23,289,300,000	23,289,300,000	11,450,000	11,450,000
Capital stock B series - Rp750,000 par value Authorized, issued and fully paid - 461,359 shares	17	346,019,250,000	346,019,250,000	26,016,500	26,016,500
Additional paid-in capital	2m,11d	385,000,000	385,000,000	28,902	28,902
Other comprehensive loss		(996,287,315)	(959,717,169)	(77,078)	(74,568)
Re-measurement loss on long-term employee benefits liability					
Translation adjustment	2n	-	-	(6,176,022)	(6,449,227)
Deficit		(349,976,825,009)	(359,966,167,554)	(29,957,617)	(30,435,917)
NET EQUITY		18,720,437,676	8,767,665,277	1,284,685	535,690
TOTAL LIABILITIES AND EQUITY		60,159,518,429	61,542,307,511	4,128,432	3,760,144

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of profit or loss And other comprehensive income

For the Year Ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

	Note	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
		Year Ended March 31,		Unaudited (Note 2n)	
		2021	2020	2021	2020
DEPARTMENTAL REVENUES	2k,18				
Rooms		-	12,033,662,151	-	855,220
Food and beverages		-	6,257,348,210	-	444,745
Other operating departments		-	1,015,318,325	-	72,159
Others		-	1,127,610,440	-	81,239
Total Departmental Revenues		-	20,433,939,126	-	1,453,363
COST OF GOODS SOLD AND SERVICES	2k,19	2,825,127,808	12,582,481,444	194,883	892,959
GROSS PROFIT (LOSS)		(2,825,127,808)	7,851,457,682	(194,883)	560,404
HOTEL OPERATING EXPENSES	2k				
General and administrative expenses	20	1,955,905,014	4,763,078,264	135,516	337,915
Property operations, maintenance and energy expenses	21	1,669,896,425	6,772,261,754	115,372	480,625
Marketing expenses	22,26	367,768,336	2,964,760,042	25,711	210,316
Other income	23	(378,323,027)	-	(26,574)	-
Total Hotel Operating Expenses		3,615,246,748	14,500,100,060	250,025	1,028,856
HOTEL GROSS OPERATING LOSS		(6,440,374,556)	(6,648,642,378)	(444,908)	(468,452)
OWNER'S OPERATING INCOME (EXPENSES)	2k				
Depreciation	8,11d	(4,543,586,194)	(4,331,247,872)	(313,304)	(303,768)
Foreign exchange gain (loss) - net	2n	2,841,308,755	(3,476,113,501)	-	-
Insurance		(1,317,786,012)	(1,640,146,811)	(96,051)	(116,516)
Professional fees		(904,200,000)	(1,183,304,936)	(62,346)	(82,503)
Salaries and wages		(400,064,634)	(755,652,295)	(27,492)	(53,285)
Taxes		(1,986,181)	(178,495,919)	(131)	(12,582)
Finance income		71,724	757,763	5	54
Other operating income - net	8	17,213,576,932	7,576,262,847	1,182,791	551,195
Owner's Operating Income (Loss)- Net		12,887,334,390	(3,987,940,724)	683,472	(17,405)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		6,446,959,834	(10,636,583,102)	238,564	(485,857)
Income tax benefit (expense)	2m,11b	3,542,382,711	(42,047,811)	239,736	(2,569)
INCOME (LOSS) FOR THE YEAR		9,989,342,545	(10,678,630,913)	478,300	(488,426)
OTHER COMPREHENSIVE INCOME (LOSS)					
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Re-measurement income (loss) on long-term employment benefits liability- net of tax		(36,570,146)	182,859,942	(2,510)	11,172
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:					
Translation adjustment		-	-	273,205	(339,444)
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		9,952,772,399	(10,495,770,971)	748,995	(816,698)

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Changes in Equity

For the Year Ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

	Note	Indonesian Rupiah				
		Capital Stock	In Capital	Other Loss	Deficit	Net Equity
Balance as of March 31, 2019		369,308,550,000	385,000,000	(1,142,577,111)	(349,287,536,641)	19,263,436,248
Loss for the year		-	-	-	(10,678,630,913)	(10,678,630,913)
Re-measurement income on long-term employee benefits liability	16	-	-	182,859,942	-	182,859,942
Balance as of March 31, 2020		369,308,550,000	385,000,000	(959,717,169)	(359,966,167,554)	8,767,665,277
Income for the year		-	-	-	9,989,342,545	9,989,342,545
Re-measurement loss on long-term employee benefits liability - net	16	-	-	(36,570,146)	-	(36,570,146)
Balance as of March 31, 2021		369,308,550,000	385,000,000	(996,287,315)	(349,976,925,009)	18,720,437,676

Translations into U.S. Dollar - Unaudited (Note 2n)

	Capital Stock (Note 17)	Additional Paid in Capital	Deficit	Other Comprehensive Loss (Note 16)	Other Comprehensive Loss		Net Equity
					Translation Adjustment (Note 2n)	Total	
Balance as of March 31, 2019	37,466,500	28,902	(29,947,491)	(85,740)	(6,109,783)	(6,195,523)	1,352,388
Loss for the year	-	-	(488,426)	-	-	-	(488,426)
Re-measurement income on long-term employee benefits liability	-	-	-	11,172	-	11,172	11,172
Translation adjustment	-	-	-	-	(339,444)	(339,444)	(339,444)
Balance as of March 31, 2020	37,466,500	28,902	(30,435,917)	(74,568)	(6,449,227)	(6,523,795)	535,690
Income for the year	-	-	478,300	-	-	-	478,300
Re-measurement income on long-term employee benefits liability - net	-	-	-	(2,510)	-	(2,510)	(2,510)
Translation adjustment	-	-	-	-	273,205	273,205	273,205
Balance as of March 31, 2021	37,466,500	28,902	(29,957,617)	(77,078)	(6,176,022)	(6,253,100)	1,284,685

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Cash Flows

For the Year Ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)					
	Notes	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
		Year Ended March 31,		Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Income (loss) before income tax		6,446,959,834	(10,636,583,102)	238,564	(485,857)
Adjustments to reconcile income before income tax for the year to net cash provided by operating activities:	8,11d	4,543,586,194	4,331,247,872	313,304	303,766
Depreciation					
Provision for replacement of furniture, fixtures and equipment	14	-	613,018,174	-	43,600
Provision for employee benefits net of benefit payments	16	(739,858,659)	596,901,346	(50,773)	36,470
Unrealized loss (gain) on foreign exchange		(2,841,308,755)	3,476,113,501	-	-
Provision for (reversal of) impairment of trade receivables	5	(53,690,730)	14,385,940	(3,280)	1,080
Changes in operating asset and liabilities:		338,906,943	(142,295,828)	17,426	(8,694)
Trade receivables					
Inventories		(6,128,550)	(33,445,012)	(8,316)	(2,043)
Prepayments and advances		458,846,076	(230,154,357)	15,544	(14,062)
Other current financial assets		(2,605,107)	4,132,751	(376)	253
Trade payables		(345,905,855)	406,924,671	(19,167)	24,863
Other payables		(2,205,956,889)	723,615,826	(132,410)	44,212
Accrued expenses		(927,372,391)	(1,348,040,776)	(76,083)	(82,363)
Taxes payable		(217,533,958)	(1,077,897,045)	(11,967)	(65,858)
Other current liabilities		(1,097,811,116)	(522,864,064)	(61,638)	(31,946)
Net Cash Flows Provided by (Used in) Operating Activities		3,350,127,037	(3,824,940,103)	220,828	(236,579)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	8, 28	(959,335,001)	(9,477,168,620)	(69,952)	(679,892)
Utilization of reserve for replacement of furniture, fixtures and equipment	14	(95,754,000)	(804,144,591)	(6,586)	(56,843)
Total Cash Used in Investing Activities		(1,055,089,001)	(10,281,313,211)	(76,538)	(736,735)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts (settlement) of funds from related parties	13, 29	(2,872,992,003)	12,602,495,938	(170,781)	870,181
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		(577,953,967)	(1,503,757,376)	(26,491)	(103,133)
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		4,095,154	256,878,080	-	-
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	1,712,599,189	2,959,478,485	104,637	207,770
CASH ON HAND AND IN BANKS AT END OF YEAR	4	1,138,740,376	1,712,599,189	78,146	104,637

Information on non-cash activities are disclosed in Note 28.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended
(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

1. GENERAL

PT Waka Oberoi Indonesia (the “Company”) was established within the framework of the Foreign Capital Investment Law No. 1 of 1967 as amended by Law No. 11 of 1970 based on notarial deed No. 225 dated November 26, 1992 of Siti Pertiwi Henny Shidki, S.H. The deed of establishment was approved by the Ministry of Justice in its decision letter No. C2-1631.HT.01.01.TH.93 dated March 13, 1993 and was published in Supplement No. 2313 of State Gazette No. 42 dated May 25, 1993.

According to Article 3 of the Company’s articles of association, the Company’s scope of activities mainly consists of establishing, developing, operating and managing resort hotels. The Company is domiciled in North Lombok Regency, West Nusa Tenggara and owns The Oberoi Lombok Hotel (the “Hotel”) located in West Nusa Tenggara, which started commercial operations in April 1997. On March 19, 2019, EIH Management Services B.V assigned EIH Holdings Ltd. to manage the hotel operations up to year 2034 with option to extend for 20 years.

The composition of the Company’s Boards of Commissioners and Directors as of March 31, 2021 and 2020 are as follows:

	2021	2020
Board of Commissioners		
President Commissioner	: Sudarshan Rao	Sudarshan Rao
Commissioner	: Ida Bagus Gede Yudana	Ida Bagus Gede Yudana
Board of Directors		
President Director	: I Wayan Pasek	I Wayan Pasek
Director	: I Ketut Siandana	I Ketut Siandana
Director	: Deepak Madhok	Deepak Madhok

The Company employed a total of 98 and 110 permanent employees as of March 31, 2021 and 2020, respectively (unaudited).

On August 5, 2018, an earthquake occurred in Lombok damaging the hotel properties. In effect, the Company temporarily stopped its operations. The Company resumed operations on June 15, 2019. In March 2020, Indonesia was hit by novel corona virus disease 2019 (COVID-19) and the Company has since closed the operations. As of completion of the Company’s financial statements, the Company’s hotel operations have not yet reopened.

The management of the Company is responsible for the preparation and presentation of the accompanying financial statements that were completed and authorized for issuance by the Board of Directors on April 26, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesia Financial Accounting Standards (“SAK”), which comprise the Statements of Financial Accounting Standards (“PSAK”) and Interpretations of Financial Accounting Standards (“ISAK”) issued by the Indonesia Financial Accounting Standards Board (“DSAK”) of the Indonesian Institute of Accountants.

Except for the statement of cash flows, the financial statements have been prepared on the accrual concept, using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The statement of cash flows presents cash receipts and payments of cash on hand and in banks classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The Company’s functional currency is the Indonesian rupiah, which is also the currency used in the preparation of the financial statements, with translations into the United States dollar.

b. Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realized or intended to be sold or consumed in the normal operating cycle,
- ii) held primarily for the purpose of trading,
- iii) expected to be realized within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in the normal operating cycle,
- ii) held primarily for the purpose of trading,

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

- iii) due to be settled within twelve months after the reporting period, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of the equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

c. Cash on Hand and in Banks

Cash on hand and in banks, in the statement of financial position comprise cash on hand and in banks which are not restricted to use, and which are subject to an insignificant risk of changes in value.

d. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7, "Related Party Disclosures".

The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those for transactions with unrelated parties.

All significant transactions and balances with related parties are disclosed in the relevant notes to the financial statements. Unless specifically identified as related parties, the parties disclosed in the Notes to the financial statements are unrelated parties.

e. Inventories

Inventories are valued at the lower of cost or net realizable value. Except for boutique inventories (which use the First-In First Out method), the cost is determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Allowance for decline in market value and obsolescence of inventories, if any, is provided to reduce the carrying value of inventories to their net realizable values based on the review of the market value and physical condition of the inventories.

f. Prepayments

Prepayments are amortized and charged to operations over the periods benefited using the

straight-line method. The portion to be amortized within one year is presented as part of current assets, otherwise, as non-current assets.

g. Fixed Assets

Fixed assets, except land which is stated at cost and not depreciated, are stated at cost less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes: (a) purchase price, (b) any costs directly attributable to bringing the asset to its present location and condition, and (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any. Each part of an item of fixed assets with a cost that is significant in relation to the total cost of the item should be depreciated separately.

When significant renewals and betterments are performed, their costs are recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are charged directly to current operations.

Depreciation commences once the assets are available for their intended use and is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Buildings	20
Structures and improvements	10
Machinery and equipment	8
Furniture, fixtures and equipment	5
Motor vehicles	5

Land is stated at cost and is not depreciated. The costs incurred in order to acquire legal rights over land in the form of "Hak Guna Usaha" (HGU), "Hak Guna Bangunan" (HGB) or "Hak Pakai" (HP) upon initial acquisition of land are recognized as part of the acquisition cost of the land and are not amortized.

Construction in progress represents the accumulated cost of materials and other costs related to the asset under construction. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the constructed asset is ready for its intended use.

The carrying amount of an item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to current operations in the period when the asset is derecognized.

h. Impairment of Non-financial Assets

The Company assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or its cash-generating unit's (CGU's) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in the statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of

the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charged on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i. Provisions and Contingencies

A provision is recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

Contingent liabilities are not recognized in the financial statement but are disclosed in the notes to the financial statements unless the outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

j. Employee Benefits Liability

Short-term employee benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of "Accrued expenses" in the statement of financial position.

Post-employment benefits

Effective February 2, 2021, the Company applied the Government Regulation Number 35 Year 2021 (PP 35/2021), implementing the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja) in its determination of the employee benefits liability.

The Company previously recognizes its unfunded employee benefits liability in accordance with

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

Labor Law No. 13/2003 dated March 25, 2003 (the “Law”) and PSAK 24 (Revised 2013), “Employee Benefits”.

Pension costs under the Company’s defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate and annual rate of increase in compensation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding the amounts, included in net interest on the net defined benefit liability) are recognized immediately in the statement of financial position 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 or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier between:

- i) the date of the plan amendment or curtailment, and
- ii) the date the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under “Cost of Goods Sold and Services” and “General and Administrative Expenses” as appropriate in the statement profit or loss and other comprehensive income:

- i) Service costs comprising current service costs, past-service costs, gains or losses on curtailments and non-routine settlements, and
- ii) Net interest expense or income

k. Revenue and Expense Recognition

The Company early adopted PSAK 72 “Revenue from Contract with Customers”. PSAK 72 supersedes IAS PSAK 23, Revenue, and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. PSAK 72 establishes a five-step model to account for revenue arising from contract with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PSAK 72 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step

of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted PSAK 72 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts that are not completed as of April 1, 2019. The cumulative effect of initially applying PSAK 72 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PSAK 23 and related Interpretations.

However, there is no impact to the Company’s financial statements in adopting PSAK 72. Thus, there is no adjustment to the opening balance of the retained earnings, as well as, additional disclosures as required under PSAK 72.

Hotel room revenue is recognized based on room occupancy while other hotel revenues are recognized when the goods are delivered or the services are rendered to the customers.

Expenses are recognized when they are incurred.

l. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average buying and selling rates of exchange published by Bank Indonesia at the last banking transaction date of the year. The resulting gains or losses are credited or charged to current operations.

As of March 31, 2021 and 2020, the rates of exchange used were Rp14,572 and Rp16,367, respectively, to US\$1.

m. Taxation

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of "Income tax expense" in the statement of profit or loss and other comprehensive income. Interests and penalties are presented as part of other operating income or expenses since they are not considered as part of the income tax expense.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

Value added tax ("VAT")

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the Tax Office, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

Change in Tax Rates

On March 31, 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, reduction to the tax rates for corporate income tax payers and permanent establishments entities from previously 25% to become 22% for fiscal years 2020 and 2021 and 20% starting fiscal year 2022 and onwards, and further reduction of 3% for corporate income tax payers that fulfill certain criteria. The new tax rates are used as reference to measure the current and deferred tax assets and liabilities starting from the enactment date of the new regulation on March 31, 2020.

Tax amnesty

On 19 September 2016, the Indonesia Financial Accounting Standards Board (DSAK IAI) issued PSAK 70, "Accounting for tax amnesty assets and liabilities".

This PSAK provides accounting policy choice for the entity to account the asset and liabilities in accordance with the provision of Tax Amnesty Law. The alternative accounting options are:

- To use the existing applicable standard under SAK.
- To use the specific provision in PSAK 70.

Management decided to use the specific provision in PSAK 70. According to specific provision of

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

PSAK 70, tax amnesty assets are measured at the amount reported in the Tax Amnesty Approval Letter (“SKPP”), while tax amnesty liabilities are measured at the amount of cash or cash equivalents that will settle the contractual obligation related to the acquisition of the tax amnesty assets. The redemption money (the amount of tax paid in accordance with Tax Amnesty law) shall be charged directly to profit or loss in the period when the SKPP was received.

Any difference between amounts initially recognized for the tax amnesty assets and the related tax amnesty liabilities shall be recorded in equity as Additional Paid-In Capital (“APIC”). The APIC shall not be reclassified to retained earnings or recycled to profit or loss subsequently.

n. Translations of Indonesian Rupiah Amounts into United States (U.S.) Dollar

The financial statements are stated in Indonesian rupiah, the currency of the country in which the Company operates. The translations of Indonesian rupiah amounts into U.S. dollar were made at the following rates:

Assets and liabilities	- Middle rate as of reporting date (Rp14,572 to US\$1 and Rp16,367 to US\$1 as last quoted by Bank Indonesia as of March 31, 2021 and 2020, respectively).
Capital stock	- Historical rates
Revenue and expense accounts	- Transaction date exchange rates

The resulting difference arising from the translations of the statement of financial position and statement of profit or loss and other comprehensive income accounts is presented as “Translation adjustment” under the equity section of the statement of financial position.

o. 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.

Effective beginning April 1, 2020

i. Financial Assets

Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset’s

contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PSAK 72.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables, other current financial assets and other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company has no financial assets at fair value through OCI (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PSAK 50: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are

recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has no financial assets designated at fair value through OCI (equity investments).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and other comprehensive income.

The Company has no financial assets at fair value through profit or 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 derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on

lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. **Financial Liabilities**

Initial Recognition and Measurement

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

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

The Company's financial liabilities include trade payables, other payables, accrued expenses, loan payable, due to related parties, and other current financial liabilities.

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 Company that are not designated as hedging instruments in hedge relationships as defined by PSAK 71. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PSAK 71 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit or loss and other comprehensive income.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Effective prior to April 1, 2020

i. Financial Assets

Initial recognition

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at the

end of each reporting period. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the buyers or sellers commit to purchase or sell the assets.

As of March 31, 2020, the Company's financial assets include cash on hand and in banks, trade receivables - net, other current and non-current financial assets. The Company has determined that all of these financial assets are classified as loans and receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

ii. Financial liabilities

Initial recognition

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value and in the case of financial liabilities measured at amortized cost, include directly attributable transaction costs.

As of March 31, 2020, the Company's financial liabilities include trade payables, other payables, accrued expenses, loan payable, due to related parties, and other current financial liabilities. The Company has determined that all of these financial liabilities are classified as loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting year. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Credit risk adjustment

The Company adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial

assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in the statement of profit or loss and other comprehensive income.

vii. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

p. Adoption of Amendments and Improvements to PSAK

The Company has adopted several amendments and improvements to PSAK and new ISAK that are mandatory for application effective April 1, 2020. The adoption of the following amendments and improvements to PSAK and new ISAK did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

PSAK 71: Financial Instruments

PSAK 71: Financial Instruments replaces PSAK 55: Financial Instruments: Recognition and Measurements for annual periods beginning on or after April 1, 2020, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has not restated corresponding information for 2020 for financial instruments in the scope of PSAK 71. Therefore, the corresponding information for 2020 is reported under PSAK 55 and is not comparable with the information presented for 2021. Differences, if any, arising from the adoption of PSAK 71 have been recognized directly in retained earnings as of April 1, 2020.

(a) Classification and Measurement

Under PSAK 71, debt instruments are subsequently measured at fair value through profit or loss, amortized costs, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest (SPPI)" on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, April 1, 2020. The assessment

of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PSAK 71 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under PSAK 55. The following are the changes in the classification of the Company's financial assets:

- Trade receivables, other current financial assets and other noncurrent financial assets classified as Loans and receivables as at March 31, 2021 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost beginning April 1, 2020.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of PSAK 71, the Company had the following required or elected reclassifications as at April 1, 2020:

PSAK 55 measurement category	PSAK 71 measurement category		
	Fair value through profit or loss	Amortized Cost	Fair Value through OCI
Loans and receivables: Trade receivables	Rp -	Rp285,216,213	Rp -
Other current financial assets	Rp -	Rp26,268,485	Rp -
Other non-current financial assets	Rp -	Rp126,615,000	Rp -

(b) Impairment

The adoption of PSAK 71 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PSAK 55's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PSAK 71 requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

The assessment of the Company's business model was made as of the date of initial application, April 1, 2020. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Upon adoption of PSAK 71, the Company has determined that this has no significant impact on the financial statements.

(c) Hedge Accounting

Under PSAK 55, all gains and losses arising from the Company's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under PSAK 71, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. This change only applies prospectively from the date of initial application of PSAK 71 and has no impact on the statement of financial position as at April 1, 2020.

Amendments to PSAK 71: Prepayment Features with Negative Compensation

Under PSAK 71, a debt instrument can be measured at amortized cost or at fair value through OCI, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PSAK 71 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

Amendments to PSAK 24: Employee Benefits - Plan Amendment, Curtailment or Settlement. Amendments to PSAK 1 and PSAK 25 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually

or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Amendments to PSAK 1: Presentation of Financial Statements on the title of financial statements

The amendments to PSAK 1 are several paragraphs in PSAK 1: Presentation of Financial Statements which were not previously adopted from IAS 1 Presentation of Financial Statements to be adopted. This amendment opens an option that allows entities to use report titles other than those used in PSAK 1. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

ISAK 36: Interpretation of the Interaction between Provisions regarding Land Rights in PSAK 16: Fixed Assets and PSAK 73: Leases

ISAK 36 provides confirmation of the intentions and considerations of the DSAK covered in the Basis for Conclusion PSAK 73 paragraphs DK02-DK10 regarding the accounting treatment of land rights secondary.

In general, ISAK 36 regulates: (1) valuation in determining the accounting treatment related to a land right that looks at the substance of the land right and not its legal form; (2) accounting treatment related to land rights in accordance with PSAK 16, namely if a contractual provision provides rights that in substance resemble the purchase of fixed assets, including the provisions in paragraph 58 of PSAK 16 which stipulates that in general, land is not depreciated; and (3) accounting treatment related to the right to land in accordance with PSAK 73 that is, if the substance of a right to land does not shift control over the underlying asset and only gives the right to use the underlying asset for a period of time, then the substance of the right to the land is a lease transaction.

This ISAK had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard setters in developing standards,

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Indonesian rupiah. The Indonesian rupiah is the currency of the primary economic environment in which the Company operates and the currency that mainly influences revenue, costs and expenses.

Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55.

Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2o.

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 disclosed

below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and other current financial assets (Effective beginning April 1, 2020)

The Company uses a provision matrix to calculate ECLs for trade receivables and other current financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Allowance for Impairment of Receivables (Effective prior to April 1, 2020)

The Company evaluates impairment losses of receivables based on percentages applied to an aging of total outstanding trade receivables and specific account identification when there is objective evidence that certain customers are unable to meet their financial obligations.

In the case of specific account identification, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third-party credit reports and known market factors, to record specific allowances for customers against amounts due to reduce the receivable amounts that the Company expects to collect. These specific provisions are re-evaluated and adjusted as additional information

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

received affects the amount of the allowance for impairment of trade receivables.

Estimation of Employee Benefits Liability

The determination of the Company's employee benefits expense and employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include discount rates, future annual salary increases, annual employee turnover rate, disability rate, retirement age and mortality rate. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in the assumptions may materially affect the retirement expenses and defined benefit obligations.

Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 5 to 20 years. These are common life expectancies applied in the industry where the Company conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets and, therefore, future depreciation charges could be revised. The net carrying amounts of the Company's fixed assets as of March 31, 2021 and 2020 amounted to Rp52,534,935,164 and Rp56,042,186,357, respectively. Further details are disclosed in Note 8.

4. CASH ON HAND AND IN BANKS

Cash on hand and in banks consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Cash on hand	79,500,000	79,500,001	5,456	4,857
Rupiah				
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	489,720,559	518,480,839	33,607	31,678
PT Bank Central Asia	8,787,609	1,000,000	603	61
PT Bank Mandiri (Persero) Tbk	1,405,731	41,945,428	96	2,563
PT Bank Maybank	112,544	112,544	8	7
Sub-total	500,026,443	561,538,811	34,314	34,309
U.S. dollar				
PT Bank Negara Indonesia (Persero) Tbk	533,028,448	1,040,825,106	36,579	63,593
PT Bank Internasional Indonesia	26,185,485	30,735,271	1,797	1,878
Sub-total	559,213,933	1,071,560,377	38,376	65,471
Total	1,138,740,376	1,712,599,189	78,146	104,637

Interest income from cash in banks amounting to Rp71,724 and Rp757,763 for the years ended March 31, 2021 and 2020, respectively, is presented as part of "Finance income" in the statement of profit or loss and other comprehensive income. As of March 31, 2021 and 2020, none of the Company's cash on hand and in banks are restricted in use or used as collateral.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

Determination of Fair Values of Financial Assets and Liabilities

When the fair value of financial assets and financial liabilities recorded or presented in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including 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 value.

The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of the Company's financial assets and liabilities are disclosed in Note 24 to the financial statements.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

5. TRADE RECEIVABLES - NET

Trade receivables - net consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
City ledger	-	338,906,943	-	20,706
Less allowance for impairment	-	(53,690,730)	-	(3,280)
Net	-	285,216,213	-	17,426

City ledger represents receivable from travel agents, banks related to credit card payments and H2O Sports for the facilities used in the hotel.

The aging analysis of these receivables is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Current	-	280,179,304	-	17,119
Past due	-	-	-	-
1- 30 days	-	55,443,386	-	3,386
31- 60 days	-	3,284,253	-	201
Over 60 days	-	-	-	-
Total	-	338,906,943	-	20,706
Less allowance expected credit losses as of March 31, 2021 (2020: allowance for impairment)	-	(53,690,730)	-	(3,280)
Net	-	285,216,213	-	17,426

The movements in the allowance for impairment as of March 31, 2020 are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Balance at beginning of year	53,690,730	39,304,790	3,280	2,759
Provisions during the year	-	20,433,939	-	1,450
Reversals during the year	(53,690,730)	(6,047,999)	(3,280)	(370)
Translation adjustment	-	-	-	(559)
Balance at end of year	-	53,690,730	-	3,280

Based on the review of the status of the individual trade receivables at the end of the reporting period, management believes that the above allowance for impairment of trade receivables as of March 31, 2020 is sufficient to cover losses from impairment of such receivables.

6. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Materials and supplies	671,244,033	570,673,722	46,064	34,867
Beverages	269,854,160	293,469,045	18,519	17,931
Boutique	60,091,662	60,091,662	4,124	3,672
Food	53,169,367	122,919,180	3,649	7,510
Tobacco	799,909	1,876,972	54	114
Balance at end of year	1,055,159,131	1,049,030,581	72,410	64,094

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

The Company's inventories as of March 31, 2021 and 2020 are stated at cost. Management believes that no allowance for losses is necessary on the inventories as of March 31, 2021 and 2020 since the inventories are fully usable.

7. PREPAYMENTS AND ADVANCES

Prepayments and advances consist of the following:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Prepaid insurance	1,202,578,164	1,121,389,946	82,527	68,515
Advance purchases	368,264,327	896,291,564	25,272	54,762
Prepaid others	88,836,452	100,843,509	6,096	6,162
Total	1,659,678,943	2,118,525,019	113,895	129,439

8. FIXED ASSETS - NET

The details of fixed assets - net are as follows:

	Year Ended March 31, 2021				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	73,155,467,982	944,845,001	-	284,844,998	74,385,157,981
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,751,224,243	-	-	-	11,751,224,243
Furniture, fixtures and equipment	16,154,110,036	14,490,000	-	-	16,168,600,036
Motor vehicles	1,477,743,500	-	-	-	1,477,743,500
Construction in progress	284,844,998	-	-	(284,844,998)	-
Total Cost	113,453,641,182	959,335,001	-	-	114,412,976,183
Accumulated Depreciation					
Buildings	30,225,412,841	2,401,942,079	-	-	32,627,354,920
Structures and improvements	5,021,773,153	42,929,530	-	-	5,064,702,683
Machinery and equipment	8,710,786,610	615,458,495	-	-	9,326,245,105
Furniture, fixtures and equipment	12,300,921,642	1,291,237,340	-	-	13,592,158,982
Motor vehicles	1,152,560,579	115,018,750	-	-	1,267,579,329
Total Accumulated Depreciation	57,411,454,825	4,466,586,194	-	-	61,878,041,019
Net Book Value	56,042,186,357				52,534,935,164
	Year Ended March 31, 2020				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	57,968,017,572	7,001,195,257	-	8,186,255,153	73,155,467,982
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,191,024,243	560,200,000	-	-	11,751,224,243
Furniture, fixtures and equipment	15,711,356,720	442,753,316	-	-	16,154,110,036
Motor vehicles	1,222,543,500	255,200,000	-	-	1,477,743,500
Construction in progress	6,599,131,609	1,871,968,542	-	(8,186,255,153)	284,844,998
Total Cost	103,322,324,067	10,131,317,115	-	-	113,453,641,182
Accumulated Depreciation					
Buildings	28,200,746,227	2,024,666,614	-	-	30,225,412,841
Structures and improvements	4,978,843,624	42,929,529	-	-	5,021,773,153
Machinery and equipment	8,112,903,269	597,883,341	-	-	8,710,786,610
Furniture, fixtures and equipment	10,857,779,920	1,443,141,722	-	-	12,300,921,642
Motor vehicles	1,006,933,913	145,626,666	-	-	1,152,560,579
Total Accumulated Depreciation	53,157,206,953	4,254,247,872	-	-	57,411,454,825
Net Book Value	50,165,117,114				56,042,186,357

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

Year Ended March 31, 2021						
	Translations into U.S. Dollar - Unaudited (Note 2n)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	334,240	-	-	-	41,173	375,413
Buildings	4,469,693	68,924	-	17,400	548,647	5,104,664
Structures and improvements	315,253	-	-	-	38,832	354,085
Machinery and equipment	717,983	-	-	-	88,442	806,425
Furniture, fixtures and equipment	986,991	1,028	-	-	121,547	1,109,566
Motor vehicles	90,288	-	-	-	11,122	101,410
Construction in progress	17,400	-	-	(17,400)	-	-
Total Cost	6,931,848	69,952	-	-	849,763	7,851,563
Accumulated Depreciation						
Buildings	1,846,728	165,627	-	-	226,694	2,239,049
Structures and improvements	306,823	2,960	-	-	37,781	347,564
Machinery and equipment	532,216	42,439	-	-	65,354	640,009
Furniture, fixtures and equipment	751,567	89,038	-	-	92,152	932,757
Motor vehicles	70,419	7,931	-	-	8,637	86,987
Total Accumulated Depreciation	3,507,753	307,995	-	-	430,618	4,246,366
Net Book Value	3,424,095					3,605,197
Year Ended March 31, 2020						
	Translations into U.S. Dollar - Unaudited (Note 2n)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	384,057	-	-	-	(49,817)	334,240
Buildings	4,069,645	497,093	-	576,088	(673,133)	4,469,693
Structures and improvements	362,239	-	-	-	(46,986)	315,253
Machinery and equipment	785,666	39,927	-	-	(107,610)	717,983
Furniture, fixtures and equipment	1,103,016	31,242	-	-	(147,267)	986,991
Motor vehicles	85,830	18,208	-	-	(13,750)	90,288
Construction in progress	463,291	133,390	-	(576,088)	(3,193)	17,400
Total Cost	7,253,744	719,860	-	-	(1,041,756)	6,931,848
Accumulated Depreciation						
Buildings	1,979,833	141,999	-	-	(275,104)	1,846,728
Structures and improvements	349,540	3,011	-	-	(45,728)	306,823
Machinery and equipment	569,566	41,932	-	-	(79,282)	532,216
Furniture, fixtures and equipment	762,271	101,213	-	-	(111,917)	751,567
Motor vehicles	70,692	10,214	-	-	(10,487)	70,419
Total Accumulated Depreciation	3,731,902	298,369	-	-	(522,518)	3,507,753
Net Book Value	3,521,842					3,424,095

The Company's land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificate No.2 which is valid up to 2024. The management believes that the said titles of land right ownership that will expire from 2021 to 2024 can be renewed/extended.

Depreciation charged to operations amounted to Rp4,466,586,194 and Rp4,254,247,872 for the years ended March 31, 2021 and 2020, respectively. The Company's fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies with total coverage amounting to US\$28,650,000 (Rp417,487,800,000) and US\$28,650,000 (Rp468,914,550,000) in 2021 and 2020, respectively. Further, the Company is also covered by insurance against business interruption under blanket

policies with total coverage amounting to US\$2,750,000 (Rp40,073,000,000) and US\$2,750,000 (Rp45,009,250,000) in 2021 and 2020, respectively. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

In August 2016 and February 2017, the back office and a portion of pavilion of the hotel of the Company were damaged by fire. The Company also filed for insurance claims against its insurance provider in relation to the business interruption as a result of the damages from fire and received the approvals of claims on September 6, 2019 for a total coverage amounting to Rp6,415,115,650 which were all fully collected as of March 31, 2020.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

On November 22, 2019, the Company lodged an insurance claim with the insurers for loss of profit as well as for material damages under business interruption policy in relation to the impact of damages of earthquake in August 2018 which caused the closure of hotel operations for renovations from August 2018 to June 2019. The Company received the approvals of claims on July 17, 2020 for an aggregate coverage amounting to Rp17,302,740,224 which were fully collected as of March 31, 2021.

The movements in the estimated claims for insurance are as follows:

	Indonesian Rupiah			
	Business Interruption		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Estimated claims from insurance, beginning	-	-	-	-
Claims approved by Insurance	17,302,740,224	-	-	6,415,115,650
Total claims from insurance	17,302,740,224	-	-	6,415,115,650
Proceeds from insurance claims:				
April 1, 2019 to March 31, 2020	-	-	-	6,415,115,650
April 1, 2020 to March 31, 2021	17,302,740,224	-	-	-
Total proceeds from insurance claims	17,302,740,224	-	-	6,415,115,650
Estimated claims from insurance, ending	-	-	-	-

Approved claims from insurance amounting to Rp17,302,740,224 and Rp6,415,115,650 as of March 31, 2021 and 2020, respectively, are recorded as gains on insurance presented under "Other operating income - net" in the statement of profit or loss and other comprehensive with details as follows:

	Indonesian Rupiah			
	Business Interruption		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Total claims from insurance	7,302,740,224	-	-	6,415,115,650
Claims already recognized as gain on insurance in prior year	-	-	-	-
Gain on Insurance Claims	17,302,740,224	-	-	6,415,115,650

As of March 31, 2021 and 2020, the management believes that there is no impairment in the value of the Company's fixed assets.

9. TRADE PAYABLES

This account consists mainly liabilities to Hotel's suppliers of goods and services amounting to Rp261,375,898 (US\$17,937) and Rp607,281,753 (US\$37,104) as of March 31, 2021 and 2020.

10. OTHER PAYABLES

This account consists of payables for:

	Translations into U.S. Dollar (\$)			
	Indonesian Rupiah		Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Related Party (Note 13)	-	1,513,538,325	-	92,475
Marketing and sales promotion expenses				
Third Parties				
General reserve	57,607,501	71,363,101	3,953	4,360
Others	257,347,474	936,010,438	17,661	57,189
Subtotal	314,954,975	1,007,373,539	21,614	61,549
Total	314,954,975	2,520,911,864	21,614	154,024

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

11. TAXATION

- a. Taxes payable consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Development tax I	98,906,854	98,906,854	6,787	6,043
Income tax				
Article 21	25,683,693	54,441,408	1,763	3,326
Article 23	48,911,939	235,339,782	3,357	14,379
Article 26	2,460,400	4,808,800	168	294
Total	175,962,886	393,496,844	12,075	24,042

- b. The reconciliation between the estimated tax expense computed by multiplying the income before income tax by the applicable tax rate and income tax expense as shown in the statement of profit or loss and other comprehensive income is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Income (loss) before income tax	6,446,959,834	(10,636,583,102)	238,564	(485,857)
Estimated tax expense				
based on prevailing tax rate	1,418,331,163	(2,659,145,776)	52,484	(121,464)
Net permanent differences at the				
applicable tax rate	114,758,791	56,554,373	7,881	3,958
Tax effect on changes in tax rate	(3,752,376,618)	-	(257,506)	-
Tax losses carryforward utilization	(1,323,096,047)	-	(90,797)	-
Unrecognized deferred tax assets - net	-	2,644,639,214	-	120,419
Translation adjustment	-	-	48,202	(344)
Income tax expenses (benefit)	(3,542,382,711)	42,047,811	(239,736)	2,569

Article 31E of Tax Law No. 36 Year 2008 provides tax reduction for domestic taxpayers with gross turnover of not more than Rp50 billion. The tax reduction amounted to RpNil and Rp36,305,036 for the years ended March 31, 2021 and 2020, respectively.

- c. As of March 31, 2021, deferred tax assets - net consists of:

	Indonesian Rupiah			
	Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2020	Profit or Loss	Other Comprehensive Income	March 31, 2021
Deferred tax assets				
Depreciation and amortization - net	-	1,104,388,863	-	1,104,388,863
Employee benefits liability	-	859,622,422	10,314,656	869,937,078
Total Deferred tax assets	-	1,964,011,285	10,314,656	1,974,325,941
Deferred tax liabilities				
Reserve for replacement of furniture fixtures and equipment	(42,047,811)	1,578,371,426	-	1,536,323,615
Net deferred tax assets (liabilities) - net	(42,047,811)	3,542,387,211	10,314,656	3,510,649,556

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

	Translations into US dollar - Unaudited (Note 2n)				
	Deferred tax Benefit (Expense) Credited (Charged) to				
	April 1, 2020	Profit or Loss	Other Comprehensive Income	Translation adjustment	March 31, 2021
Deferred tax assets	-	75,788	-	-	75,788
Depreciation and Amortization - net and equipment					
Employee benefits liability	-	58,991	708	-	59,699
Total deferred tax assets	-	134,779	708	-	135,487
Deferred tax liabilities	(2,569)	108,315	-	(316)	105,430
Reserve for replacement of furniture, fixtures and equipment					
Net deferred tax assets	(2,569)	243,094	708	(316)	240,917

As of March 31, 2020, deferred income tax assets have not been recognized on the following carry-forward benefits of tax losses and deductible temporary differences as management believes that it is not probable that the Company will have sufficient future taxable profits against which these items can be utilized:

	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2n)
Tax losses carry-forward benefits	9,878,829,522	603,582
Reserve for replacement of FFE	7,777,372,077	475,186
Long-term employee benefits liability	5,036,745,145	307,738
Allowance for doubtful accounts	53,690,730	3,280

- d. On March 30, 2017, the Company submitted a list of fixed asset items not yet registered in the Company's tax report up to 2015 to be administered under the tax amnesty program of the tax authority. These assets are in the form of antiques and paintings worth Rp385,000,000. The Company received the approval for tax amnesty program application from the Ministry of Finance in its decision letter dated April 25, 2018. As of March 31, 2021 and 2020, the tax amnesty assets as approved were recorded as a separate line item in the statement of financial position.

The movements of the tax amnesty assets are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Balance as approved by tax authority	385,000,000	385,000,000	28,902	28,902
Accumulated depreciation	(280,133,333)	(203,333,333)	(19,563)	(14,254)
Translation adjustment	-	-	(2,143)	(3,536)
Net book value	104,866,667	181,666,667	7,196	11,112

12. ACCRUED EXPENSES

The details of accrued expenses due to third parties are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Professional fees	723,519,390	1,077,629,252	49,651	65,842
Salaries and allowance	540,052,446	614,729,688	37,061	37,559
Human resources	372,747,351	356,197,158	25,580	21,763
Marketing	203,816,165	264,623,856	13,987	16,168
Repairs and maintenance	184,811,186	315,593,954	12,683	19,282
Utilities	91,558,608	144,577,195	6,283	8,833
Others	874,654,182	987,095,953	60,022	60,311
Total	2,991,159,328	3,760,447,056	205,268	229,758

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

13. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Due to related parties				
EIH Holdings Ltd,	24,947,818,173	29,166,616,437	1,712,038	1,782,037
PT Widja Putra Karya	-	1,649,492,003	-	100,782
Total	24,947,818,173	30,816,108,440	1,712,038	1,882,819
Other payables: (Note 10)				
EIH Holdings Ltd,	-	1,513,538,325	-	92,475

For the years ended March 31, 2021 and 2020, the Company received funds from EIH Holdings, Ltd. to support its operations and for working capital requirements amounting to Rp4,736,500,000 and Rp13,824,771,715, respectively.

The Company also received funds and operating expenses support from PT Widja Putra Karya amounting to Rp1,548,750 and Rp7,123,100,000 for the years ended March 31, 2021 and 2020, respectively.

Salaries and wages of the Company's key management personnel amounted to Rp396,947,453 (US\$27,251) and Rp747,667,045 (US\$52,863) in 2021 and 2020, respectively (unaudited).

In the normal course of its business, the hotel has entered into transactions with related parties as follows:

Related parties	Nature of relationships	Type of transactions
PT Widja Putra Karya	Entity under common control	Intercompany advances and share in proceeds from sale of vacation packages, operating expenses
EIH Holdings Ltd.	Parent company	Management fee, payable to finance hotel operations, and international sales promotion

14. RESERVE FOR REPLACEMENT OF FURNITURE, FIXTURES AND EQUIPMENT

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar (\$)	
	As at March 31,		Unaudited (Note 2n)	
	2021	2020	2021	2020
Balance at beginning of year	7,777,372,077	7,968,498,494	475,186	559,428
Provision during the year (Note 21)	-	613,018,174	-	43,600
Utilization of reserve	(95,754,000)	(804,144,591)	(6,586)	(56,843)
Translation adjustment	-	-	58,549	(71,001)
Balance at end of year	7,681,618,077	7,777,372,077	527,149	475,186

15. OTHER CURRENT FINANCIAL LIABILITIES

This account pertains to guest deposits from customers and travel agents amounting to Rp722,420,128 (US\$49,576) and Rp1,820,231,244 (US\$111,214) as of March 31, 2021 and 2020, respectively.

16. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The Company's long-term employee benefits liability consists only of post-employment benefits.

The calculation of the employee benefits liability as of March 31, 2020 was calculated in accordance with Law No. 13/2003 and with the Collective Labor Agreement which were still in effect as of December 31, 2020. On February 2, 2021, the Government promulgated Government Regulation Number 35 Year 2021 (PP 35/2021) to implement the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja), which aims to create the widest possible employment opportunities. PP 35/2021 regulates the work agreement for a certain period (non-permanent employees), outsourcing, working time, rest time and termination of employment, which can affect

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

the minimum benefits that must be provided to employees. The Company has evaluated the impact and has calculated the employee benefits liability as of March 31, 2021 in line with PP35/2021. Management believes that the balance of employee benefits liability is sufficient to cover the minimum benefits required under the Law.

The following tables summarize the components of employee benefit expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the statement of financial position as employee benefits liability as of March 31, 2021 and 2020 as determined by PT Lastika Dipa, an independent actuary, in their reports dated March 31, 2021 and April 10, 2020, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2021 and 2020, are as follows:

Discount rate	: 7.82 % in 2021 and 8.73% in 2020
Annual salary increase	: 8.00% per annum in 2021 and 2020
Mortality	: TMI IV in 2021 and TMI III in 2020
Retirement age	: 57 years old in 2021 and 55 years old in 2020
Disability rates	: 10% mortality from table TMI IV in 2021 and TMI III in 2020

- a. The employee benefits expense recognized in the statement of profit or loss and other comprehensive income consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Past service cost	(1,302,441,500)	-	(89,380)	-
Current service cost	236,578,132	299,006,446	16,235	18,269
Interest cost	326,004,708	387,156,001	22,372	23,655
Employee benefit expense	(739,858,659)	686,162,447	(50,773)	41,924

- b. Details of employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Present value of defined benefits obligation	4,343,771,288	5,036,745,145	298,090	307,738

- c. Movements in employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Beginning balance	5,036,745,145	4,622,703,741	307,738	324,537
Provision during the year	(739,858,659)	686,162,447	(50,773)	41,924
Payment during the year	-	(89,261,101)	-	(5,454)
Actuarial loss (gain) due from:				
Experience adjustment	(422,868,392)	(274,879,207)	(25,837)	(16,794)
Changes in financial assumption	(44,927,059)	92,019,265	(2,745)	5,622
Change in demographic assumption	514,680,253	-	42,097	-
Translation adjustment	-	-	27,610	(42,097)
Ending balance	4,343,771,288	5,036,745,145	298,090	307,738

- d. The expected total undiscounted pension benefit payments in Indonesian rupiah for the subsequent years are as follows:

Within the next 12 months (the next annual reporting year)	: 74,738,654
Between 2 and 5 years	: 1,425,651,688
Between 5 and 10 years	: 6,287,804,790
Beyond 10 years	: 39,207,174,660

The average duration of the long-term employee benefits liability is 16 years.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

- e. The effect of a one-percentage point change in discount rate and salary increase rate on long-term employee benefits liability for the year ended March 31, 2021 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	Discount Rate	Salary Rate	Discount Rate	Salary Rate
Increase by 1%	(334,871,480)	372,997,374	(22,980)	25,597
Decrease by 1%	380,773,410	(334,197,353)	26,130	(22,934)

17. CAPITAL STOCK

The shares ownership details as of March 31, 2021 and 2020 are as follows:

Series A

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2n)
EIH Holdings Ltd.	73,789	57.03	13,282,020,000	6,530,000
EIH International Ltd.	33,900	26.20	6,102,000,000	3,000,000
PT Waka Gae Selaras	21,696	16.77	3,905,280,000	1,920,000
Total	129,385	100.00	23,289,300,000	11,450,000

Series B

EIH Holdings Ltd.	461,359	100.00	346,019,250,000	26,016,500
Total	461,359	100.00	346,019,250,000	26,016,500

Summary

	Share series	Number of Shares Issued and Fully paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2n)
EIH Holdings Ltd.	Series A	73,789	12.49	13,282,020,000	6,530,000
EIH International Ltd.	Series A	33,900	5.74	6,102,000,000	3,000,000
PT Waka Gae Selaras	Series A	21,696	3.67	3,905,280,000	1,920,000
EIH Holdings Ltd.	Series B	461,359	78.10	346,019,250,000	26,016,500
Total		590,744	100.00	369,308,550,000	37,466,500

On September 7, 2019, the shareholders approved the transfer of 8,757 series A shares in the Company from PT Waka Gae Selaras (WGS) to EIH Holdings, Ltd., (EIHH) and the transfer of 46,135 series B shares in the Company from EIHH to PT WGS. As of report date, the transfer has not yet been executed.

18. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Room department				
Villa	-	5,828,220,868	-	414,206
Pavillion	-	6,205,441,283	-	441,014
Sub-total	-	12,033,662,151	-	855,220
Food and beverages department				
Food	-	4,615,425,673	-	328,043
Beverages	-	1,641,922,537	-	116,702
Sub-total	-	6,257,348,210	-	444,745
Other operating departments				
Health spa	-	667,999,663	-	47,518
Boutique	-	244,006,456	-	17,299
Telephone and facsimile	-	52,829,114	-	3,755
Laundry	-	50,483,092	-	3,587
Sub-total	-	1,015,318,325	-	72,159
Others	-	1,127,610,440	-	81,239
Total	-	20,433,939,126	-	1,453,363

In 2020, the average hotel room occupancy rates was 22.7% (unaudited).

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

19. COST OF GOODS SOLD AND SERVICES

The details of cost of goods sold and services are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Food and beverage	-	1,874,381,345	-	133,244
Payroll and related expenses:				
Salaries and wages	1,864,732,010	3,735,447,588	128,467	264,926
Employee benefits	327,603,768	1,977,337,992	22,708	140,204
Other expenses:				
Security	349,641,340	659,302,201	24,152	46,760
Kitchen Fuel	59,508,706	70,490,937	4,110	4,999
Telephone and communication	55,541,733	142,016,729	3,824	10,085
Health club	34,152,937	112,770,672	2,376	7,995
Cleaning and guest supplies	15,000,287	569,866,052	1,031	40,483
Linens and uniforms	3,455,504	328,204,124	239	23,299
Transportation and travel	1,938,000	144,508,155	134	10,255
Loss and damages	1,818,783	103,747,025	126	7,358
Decoration	38,000	85,011,677	3	6,034
Travel agents	-	892,000,000	-	63,388
Welcome drinks, fruit baskets, and amenities	-	400,547,032	-	28,460
Laundry	-	315,723,112	-	22,453
Boutique	-	208,349,981	-	14,764
Cultural music and shows	-	90,399,660	-	6,411
Cable television and music	-	80,482,246	-	5,719
Others	111,696,740	791,894,916	7,713	56,122
Total	2,825,127,808	12,582,481,444	194,883	892,959

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Salaries and wages	1,012,858,020	1,784,626,395	70,150	126,603
Employee benefits	223,719,096	572,814,632	18,854	40,639
Insurance	188,674,993	214,552,938	13,068	15,222
Telephone and communication	82,833,977	89,385,601	5,728	6,342
Transportation and travel	53,875,852	217,883,592	3,731	15,458
Bank charges	36,553,288	54,002,537	2,491	3,831
Printing and stationery	7,496,780	75,687,025	519	5,370
Commission on credit cards	957,349	351,390,710	57	24,930
Licenses and taxes	-	117,175,943	-	8,313
Others	348,935,659	1,285,558,891	20,918	91,207
Total	1,995,905,014	4,763,078,264	135,516	337,915

21. PROPERTY OPERATIONS, MAINTENANCE AND ENERGY EXPENSES

The details of property operations, maintenance and energy expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Repairs and maintenance	697,095,239	2,050,524,570	48,150	145,393
Electricity	418,919,170	1,733,007,425	28,910	123,068
Salaries and wages	278,875,562	677,557,479	19,313	48,032
Supplies	113,400,000	450,283,346	7,844	31,922
Water	106,373,600	368,995,900	7,341	26,207
Fuel	43,418,162	788,405,111	2,997	55,989
Provision for replacement of furniture fixtures and equipment (Note 14)	-	613,018,174	-	43,601
Others	11,814,692	90,469,749	817	6,413
Total	1,669,896,425	6,772,261,754	115,372	480,625

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

22. MARKETING EXPENSES

The details of marketing expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Advertising and promotion	198,956,274	1,877,944,973	13,909	133,128
Sales promotion expenses (Note 26)	-	613,018,174	-	43,600
Transportation and travel	-	127,939,416	-	9,070
Others	168,812,062	345,857,479	11,802	24,518
Total	367,768,336	2,964,760,042	25,711	210,316

23. OTHER INCOME

In the last quarter of 2020, the Central Government identified hotels and restaurants to receive tourism grants through the Decree (SK) of the Regent of Badung number 67/054/HK/2020 according to the technical instructions from the Tourism Ministry, the amount of which will be calculated by the government based on the tax contribution subject to certain ceiling. In December 2020, the Company received cash grant from the government amounting to Rp298,686,685 (US\$21,109) for operating expenditures. The Company has fully utilized the grant and has no excess grant to be returned to the government. Remaining amount pertains to interest from bank.

24. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company has various financial assets such as cash on hand and in banks, trade receivables - net and other current and non-current financial assets which arise directly from the Company's operations.

The Company's principal financial liabilities consist of trade payables, other payables, accrued expenses, due to related parties and other current financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

The carrying values of the Company's financial assets and liabilities approximate their fair values as of March 31, 2021 and 2020.

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 to the Company.

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.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Current financial assets and liabilities:

- Current financial instruments with remaining maturities of one year or less (cash on hand and in banks, trade receivables, other current financial assets, trade payables, other payables, accrued expenses, due to related parties, and other current financial liabilities)

The carrying values of the Company's current financial assets and liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

Non-current financial asset:

- Long-term financial assets (other non-current financial assets)

The fair values of other non-current financial assets are assumed to be the same as the cash amount that will be received due to the fact that the maturity of such financial assets is not stated in related contract and the management is not yet able to determine when the financial assets will be realized.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

The main risks arising from the Company's financial instruments are foreign exchange rate risk, credit risk and liquidity risk. The Company's Board of Directors reviews and approves the policies for managing these risks which are summarized below.

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

a. Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations results primarily from its U.S. dollar-denominated cash in banks, trade receivables, other payables and loan payable.

The Company's policies are to minimize the risk arising from the foreign exchange rate by monitoring its fluctuations and maintaining an adequate level of cash in banks and long-term bank loan in U.S. dollar. To the extent the Indonesian rupiah depreciates further from the exchange rates in effect at March 31, 2021, the Company's loan payable increases in Indonesian rupiah terms. However, the increase in this obligation will be offset in part by the increase in the value of its U.S. dollar-denominated cash in banks.

	Amount in Foreign Currency	Rupiah Equivalent
Assets		
Cash on hand and in banks	US\$ 38,395	559,491,940
Liabilities		
Due to related parties	US\$ 1,712,038	24,947,817,736
Net Liabilities		(24,388,325,796)

b. Credit Risk

Credit risk arises when one party to a financial asset or liability fails to discharge an obligation and causes the Company to incur a financial loss. The Company manages and controls this credit risk by setting limits on the amount of risk it is willing to accept for individual customers and by monitoring exposures in relation to such limits. The maximum exposure of the financial instruments to credit risk is equal to the carrying values as disclosed in Note 24.

With respect to credit risk arising from financial assets, primarily cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

The table below shows the maximum exposure to credit risk for the Company's financial assets without taking into account any collateral and other credit enhancements:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	2021	2020	2021	2020
Current Financial Assets				
Cash on hand and in banks	1,138,740,376	1,712,599,189	78,146	104,637
Trade receivables - net	-	285,216,213	-	17,426
Other current financial assets	28,873,592	26,268,485	1,981	1,605
Total Financial Assets	1,167,613,968	2,024,083,887	80,127	123,668

c. Liquidity Risk

Liquidity risk is defined as the risk when the cash flow position of the Company indicates that the short-term revenues are not enough to cover its short-term expenditures. The Company's liquidity risk mainly arises from the repayment of its payable to EIH as of March 31, 2021 and 2020 which was due within a year. As of March 31, 2021, the Company's current liabilities exceed its current assets by Rp33,213,857,423 (see item "d" section below).

d. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy cash flows in order to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic

conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital or issue new shares.

The Company reported net income of Rp9,989,342,545 (US\$478,300) for the year ended March 31, 2021 resulting in deficit and equity of Rp349,976,825,209 (US\$29,957,617) and Rp18,720,437,676 (US\$1,284,685) respectively. The Company's total current liabilities exceeded its total current assets by Rp33,213,857,423 (US\$2,279,225) as of March 31, 2021.

The outbreak of COVID-19 pandemic has severely impacted the travel and hospitality sectors worldwide. The Indonesian tourism industry has also been hugely affected by the stoppage of

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

commercial flights and closing of international borders.

During the year 2020-2021, the losses incurred were due to the closure of entire hotel operations as a result of severe travel restrictions around the globe and by the local government of West Nusa Tenggara. As part of its continuing efforts to respond to and manage the effects of the aforementioned conditions, the Company has undertaken and is continuously implementing the following measures, among others:

- Closure of mainline hotel operations as well as food and beverage outlets until government declares tourism and hotel activities are safe to resume; and,
- Cost-cutting measures including human resources shifting, contracts assessments, utilities and housekeeping reduction, suspension of services not required, suspension of sales representation with cancellation of sales travel and capping a minimum budget expenditure until operations return to normalcy.

The Company will continuously assess the above measures throughout the duration of the outbreak.

With the rapid vaccination in progress in Europe, United Kingdom and United States of America and also the start of vaccination in Indonesia, there is hope that international borders restriction would be removed soon. The Company estimates gradual lifting of airline travel restrictions and opening of international borders in a phased manner with a slow start of operations in 2nd quarter, with business gradually improving in 3rd and 4th quarters; Continued cost rationalization measures will be enforced, throughout the year.

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 96.33% shareholdings in the Company, have provided a written confirmation on its intention and ability to provide financial support if and when required by the Company to allow it to continue as a going concern entity. Further, the Company's claims for loss of profit under business interruption policy amounting to Rp17,302,740,224 (US\$1,188,781) were received during the year.

As of the completion date of the financial statements, the probability of the success of the Company's continuing efforts will still be affected by some

uncontrollable factors including uncertainty in the extent and duration of the impact of COVID-19.

The financial statements have been prepared assuming that the Company will continue as a going concern entity. The financial statements did not include any adjustment that might result from these uncertainties.

26. SIGNIFICANT AGREEMENT

The Company entered into a Hotel Operation Agreement with EIH Management Services B.V. (the Operator) to manage and operate the Hotel effective December 31, 1998. On July 24, 2000, the Company signed a Renewal Agreement whereby the original term was extended until April 14, 2034 with operator having automatic rights of approval for another 20 years. The assignment of EIH Management Services B.V as the hotel operator was also transferred to EIH Holdings Ltd. with all terms and conditions retained.

The Operator has automatic and irrevocable options to extend the Agreement for another 20 years. Under the agreement, the Hotel Operator is entitled to a fee of 12.5% of the total gross operating profit. Also, under the agreement, the Hotel Operator is entitled to pay out of the gross operating revenue and as part of gross operating expenses, an amount equal to 3% of the Hotel gross operating revenue for marketing and sales promotion expenses. Any loss incurred by the Hotel in any financial year shall be borne exclusively by the Company.

27. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS

The following are revised accounting standards issued by the Indonesian Financial Accounting Standards Board that are relevant to the financial statements but are effective only for financial statements covering the periods beginning on or after April 1, 2021:

Effective beginning on or after April 1, 2021:

a. Amendments to PSAK 73: Covid-19 Related Rent Concessions.

On May 30, 2020, the DSAK IAI published Covid-19-Related Rent Concessions - amendment to PSAK 73: Leases. The amendments provide relief to lessees from applying PSAK 73 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under PSAK

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

73, if the change were not a lease modification. This amendment has no impact on the financial statements of the Company.

b. Amendments to PSAK 22: Definition of Business

The amendment to PSAK 22 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

c. Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract Fulfillment Costs

This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract. The amendments to PSAK 57 provide that costs to fulfill a contract comprise of costs that are directly related to the contract. Costs that are directly related to the contract consist of (1) incremental costs to fulfill the contract, and (2) allocation of other costs that are directly related to fulfilling the contract.

An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Earlier application is permitted. An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other

component of equity, as appropriate) at the date of initial application. Earlier application is permitted

Effective beginning on or after April 1, 2022:

d. 2020 Annual Improvements – PSAK 71: Financial Instruments

This improvements clarifies the fees that are recognized by the borrower in relation to derecognition of financial liabilities. In determining the fee to be paid after deducting the fee received, the borrower only includes the fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on other's behalf. An entity applies the improvements to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. Earlier application is permitted.

Effective beginning on or after April 1, 2023:

e. Amendments to PSAK 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments must be applied retrospectively. Earlier application is permitted.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

28. NON-CASH ACTIVITIES

Supplementary information to the statement of cash flows relating to non-cash activities are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Additions to fixed assets charged to:				
Other payables	-	654,148,497	-	39,968

Notes to The Financial Statements

As of March 31, 2021 and for the Year Then Ended

29. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities for the years ended March 31, 2021 and 2020 are as follows:

	Year Ended March 31, 2021				Ending Balance
	Beginning Balance	Cash flows	Foreign Exchange	Others	
Due to related parties	30,816,108,440	(2,872,992,003)	(2,995,298,264)	-	24,947,818,173

	Year Ended March 31, 2021				Ending Balance
	Beginning Balance	Cash flows	Foreign Exchange	Others	
Due to related parties	14,667,868,379	12,141,550,000	3,545,744,123	460,945,938	30,816,108,440

PT ASTINA GRAHA UBUD

BOARD

Drs. Ec. I Wayan Pasek
Mr. Tjokorda Raka Kerthayasa
Mr. Deepak Madhok

AUDITORS

Ernst & Young
Ernst & Young Building
121, King William Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

Dsn/Br. Jambangan,
Singekerta,
Ubud - Gianyar
Indonesia

Directors' Report

DIRECTORS

The Directors present their report on the Company for the year ended 31 March 2021.

The names of the Company's Directors in office during the year and until the date of this report are as follows.

Drs. Ec. I Wayan Pasek
Mr. Tjokorda Raka Kerthayasa
Mr. Deepak Madhok

The Directors were in office for the entire year unless otherwise stated.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was investment.

OPERATING AND FINANCIAL REVIEW

The net profit of the Company for the year was \$Nil (2020: \$Nil) after providing for income tax of \$Nil (2020: \$Nil).

No significant change in the nature of these activities occurred during the year.

EVENTS AFTER THE BALANCE DATE

No material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in state of affairs.

The results of the Company operations during the year have not, in the opinion of the Directors, been affected by any item, transaction or event of a material or unusual nature.

DIVIDENDS

No dividends have been paid, declared or recommended during the preceding year ended March 31, 2021.

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

AUDITORS INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

Signed in accordance with a resolution of the Director:

April 19, 2021

Deepak Madhok

Independent Auditor's Report

To the Members of
PT Astina Graha Ubud

Opinion

We have audited the financial report of PT Astina Graha Ubud (the Company), which comprises the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist the directors of PT Astina Graha Ubud to meet their financial reporting requirements. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the members of PT Astina Graha Ubud and should not be distributed to parties other than the members.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing

so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

Adelaide

April 19, 2021

Statement of Comprehensive Income

For the year ended March 31, 2021

		Expressed in United States Dollars (\$)	
	Note	Year ended March 31, 2021	Year ended March 31, 2020
Turnover	3	-	-
Profit before taxation	4	-	-
Taxation expense	5	-	-
Profit after Taxation		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income		-	-

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at March 31, 2021

Expressed in United States Dollars (\$)			
	Note	As at March 31, 2021	As at March 31, 2020
Current Assets			
Amount due to related parties		-	-
Total Current Assets		-	-
Non-Current Assets			
Property, plant and equipment		6,184,948	6,184,948
Total Current Assets		6,184,948	6,184,948
Total Assets		6,184,948	6,184,948
Current Liabilities			
Amount due to related parties		-	-
Total Current Assets		-	-
Non-Current Liabilities			
Amount due to shareholders		3,584,948	3,584,948
Total Non-Current Liabilities		3,584,948	3,584,948
Total Liabilities		3,584,948	3,584,948
Net Assets		2,600,000	2,600,000
Equity:			
Share capital	7	2,600,000	2,600,000
Retained earnings		-	-
Total Equity		2,600,000	2,600,000

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended March 31, 2021

	Expressed in United States Dollars (\$)		
	Share Capital	Retained Earnings	Total Equity
As at April 1, 2020	2,600,000	-	2,600,000
Profit for year	-	-	-
Other comprehensive income	-	-	-
As at March 31, 2021	2,600,000	-	2,600,000
As at April 1, 2019	2,600,000	-	2,600,000
Profit for year	-	-	-
Other comprehensive income	-	-	-
As at March 31, 2020	2,600,000	-	2,600,000

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended March 31, 2021

1. Corporate information

The financial report of PT Astina Graha Ubud. (the "Company") for the year ended March 31, 2021 was authorised for issue on April 19, 2021.

PT Astina Graha Ubud. is a company limited by shares and incorporated in Indonesia. The nature of the operations and principal activity of the Company is described in the Directors' report.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial report has been prepared in accordance with the requirements of International Financial Reporting Standards ('IFRS').

The financial report has also been prepared on a historical cost basis.

The financial report is presented in United States Dollars and all values are rounded to the nearest dollars unless otherwise stated.

A statement of cash flows has not been prepared given that there were no cash transactions during the current year.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board with the exception of:

- IAS 24 Related Party disclosures

These disclosures are made by the parent entity.

(c) Changes in accounting policies and disclosures

Accounting standards issued in the current period or those issued but not yet effective have been considered by management and are not expected to have a material impact on the business.

Remaining accounting policies adopted are consistent with those of the previous financial year.

(d) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into United States dollars at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and which are subject to an insignificant risk of changes in value.

(f) Fixed Assets

Fixed assets are stated at cost less any accumulated impairment losses and depreciation. Depreciation is calculated from when an asset is first held ready for use.

The carrying values of fixed assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of fixed assets is the higher of fair value less costs to sell and value in use.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

(g) Deferred Taxation

Deferred taxation is calculated under the liability method in respect of the taxation effect arising from all timing differences between profit as computed for taxation purposes and profit as stated in the financial statements which are expected with reasonable probability to crystallise in the foreseeable future.

(h) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Key judgements and estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal

Notes to the Financial Statements

For the year ended March 31, 2021

the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- (i) The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. The extent and duration of impacts of COVID 19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID 19 on business and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, we estimate a possible scenario of normal business conditions returning gradually in the year 2021. In the following year 2022 it is estimated that the normalcy would return.

3. Turnover

Turnover represents dividends from investments.

4. Profit Before Taxation

Profit before taxation is arrived at after charging and crediting:

After charging:

	Expressed in United States Dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Auditors' remuneration	-	-

The audit fee has been borne by a related company.

5. Taxation

- (a) No provision has been made for income tax as the Company did not earn income subject to tax.
- (b) No provision for deferred taxation has been made as the effect of all timing differences is immaterial.

6. Directors' Remuneration

	Expressed in United States Dollars (\$)	
	Year ended March 31, 2021	Year ended March 31, 2020
Fees	-	-
Other emoluments	-	-

7. Share Capital

	Expressed in United States Dollars (\$)	
	As at March 31, 2021	As at March 31, 2020
Issued and fully paid: Ordinary shares	2,600,000	2,600,000

8. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified.

9. Commitments and Contingencies

There are no outstanding commitments and contingencies at year end.

In the opinion of the Directors:

- (a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the results of the Company for the year ended March 31, 2021;
- (b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company at March 31, 2021; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of Directors.

April 19, 2021

Deepak Madhok