EIH INTERNATIONAL LTD

BOARD

Mr. P. R. S. Oberoi
Mr. S. S. Mukherji (resigned 16/03/2015)
Mr. Deepak Madhok
Mr. V. S. Oberoi (resigned 16/03/2015)
Mr. A. S. Oberoi (resigned 16/03/2015)
Mr. P. Selvadurai (w.e.f. 20/03/2015)

AUDITORS

Ernst & Young
Ernst & Young Building
121, King William Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

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 2015, 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

S S Mukherji (resigned 16 March 2015)

Deepak Madhok

V S Oberoi (resigned 16 March 2015)

A S Oberoi (resigned 16 March 2015)

P Selvadurai (appointed 20 March 2015)

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 $2,536,537 (2014 : profit of $2,776,474) for the Group and a profit of $1,318,214 (2014: $1,323,395) for the Company, after provision for income tax expense of $729,460 (2014: $623,801) for the Group and $nil (2014: $nil) for the Company.

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.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group's operations are not regulated by any significant environmental regulation.

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

During the year a dividend totalling $1,000,000 (2014 : $1,045,773) 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

13 May, 2015 *Director*

Independent Auditor's Report

To the Members of
EIH International Ltd

We have audited the accompanying financial report of EIH International Ltd and its controlled entities, which comprises the statement of financial position as at 31 March 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end from time to time during the financial year.

Directors' Responsibility for the Financial Report
The Directors of the Company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet their financial reporting requirements and the needs of the members. The directors are also responsible for such controls as they determines are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit we have complied with the independence requirements of the professional accounting bodies.

Independent Auditor's Report *(Contd...)*

Opinion

In our opinion the financial report presents fairly, in all material respects, the company's and consolidated entity's financial positions as of 31 March 2015 and their financial performance and cash flows for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

Basis of Accounting and Restriction on Distribution

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 EIH International Ltd and its controlled entities to meet its 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 International Ltd and should not be distributed to parties other than the members.

ERNST & YOUNG

Adelaide
13 May 2015

DAVID SANDERS
Partner

Statement of Comprehensive Income for the year ended 31 March 2015

(Expressed in United States dollars)

		Consolidated		Standalone	
		31 March 2015	31 March 2014	**31 March 2015**	31 March 2014
	Note	**$**	$	**$**	$
Continuing Operaions					
Turnover	3	**13,833,251**	13,749,621	**1,374,606**	1,357,269
Cost of Sales		**(1,007,448)**	(1,048,722)	**–**	–
Gross Profit		**12,825,803**	12,700,899	**1,374,606**	1,357,269
Operating Expenses					
Other operating expenses		**1,432,439**	1,439,950	**–**	–
Payroll and related expenses		**2,426,637**	2,395,041	**–**	–
Administration and General Expenses		**2,223,576**	2,020,620	**53,830**	31,478
Marketing expenses		**636,832**	556,247	**–**	–
Upkeep and service cost		**1,938,555**	1,879,816	**–**	–
Project development expenses		**140,448**	150,615	**–**	–
Provision for furniture, fixture and equipment		**354,381**	364,588	**–**	–
Other Expenses		**30,790**	90,143	**2,562**	2,396
Depreciation and amortisation		**1,327,984**	1,403,906	**–**	–
Total Operating Expenses		**10,511,642**	10,300,926	**56,392**	33,874
Other Income/(Expense)					
Interest expense		**–**	(1,587)	–	–
Share of profit/(loss) of investments accounted for using the equity method		**(1,284,829)**	174,773	–	–
Other Income/(expense)		**(2,836,409)**	827,116	–	–
Total Other Income/(Expense)		**(4,121,238)**	1,000,302	–	–
Profit/(Loss) before taxation		**(1,807,077)**	3,400,275	**1,318,214**	1,323,395
Taxation	5	**(729,460)**	(623,801)	–	–
Profit/(Loss) after taxation		**(2,536,537)**	2,776,474	**1,318,214**	1,323,395
Profit/(Loss) for the year is attributable to:					
Owners of the parents		**(2,957,979)**	2,233,908	**1,318,214**	1,323,395
Non-controlling Interest		**421,442**	542,566	–	–
		(2,536,537)	2,776,474	**1,318,214**	1,323,395
Other comprehensive income/(loss)					
Profit/(Loss) after taxation		**(2,536,537)**	2,776,474	**1,318,214**	1,323,395
Share of other comprehensive income of Investments accounted for using the equity method		**–**	(10,557)	**–**	–
Movement in foreign currency translation reserve		**2,188,236**	(1,439,520)	**–**	–
Total comprehensive income		**(348,301)**	1,326,397	**1,318,214**	1,323,395
Total comprehensive income/(loss) for the year is attributable to:					
Owners of the parents		**(593,078)**	948,291	**1,318,214**	1,323,395
Non-controlling interest		**244,777**	378,106	**–**	–
		(348,301)	1,326,397	**1,318,214**	1,323,395

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 March 2015

(Expressed in United States dollars)

	Note	Consolidated 31 March 2015 $	Consolidated 31 March 2014 $	Standalone 31 March 2015 $	Standalone 31 March 2014 $
Non-Current Assets					
Amount due from related parties	10	**10,343,787**	7,997,629	**5,424,618**	5,117,564
Investments	7	**15,915,786**	17,200,615	**84,675,314**	81,675,314
Property, plant and equipment	8	**8,653,499**	8,719,073	–	–
Intangibles assets	9	**63,498,758**	64,408,758	–	–
Deferred tax assets		**64,031**	237,143	–	–
Other assets		**482,093**	557,253	–	–
Total Non-Current Assets		**98,957,954**	99,120,471	**90,099,932**	86,792,878
Current Assets					
Cash and cash equivalents	11	**13,383,818**	11,532,352	**962,966**	951,806
Receivable	12	**607,085**	1,008,673	–	–
Amounts due from related parties	10	**327,537**	285,463	–	–
Inventories		**373,277**	419,648	–	–
Other assets		**251,947**	271,821	–	–
Total Current Assets		**14,943,664**	13,517,957	**962,966**	951,806
Total Assets		**113,901,618**	112,638,428	**91,062,898**	87,744,684
Current Liabilities					
Trade and other payables	13	**1,825,858**	1,877,027	**50,000**	50,000
Provision for taxation		**144,597**	316,017	–	–
Total Current Liabilities		**1,970,455**	2,193,044	**50,000**	50,000
Non-Current Liabilities					
Amounts due to related parties	14	**3,120,000**	3,120,000	**181,087**	181,087
Deferred tax liabilities		–	–	–	–
Employee benefits liabilities		**526,287**	572,207	–	–
Total Non-Current Liabilities		**3,646,287**	3,692,207	**181,087**	181,087
Total Liabilities		**5,616,742**	5,885,251	**231,087**	231,087
Net Assets		**108,284,876**	106,753,177	**90,831,811**	87,513,597
Equity					
Share Capital	15	**96,607,800**	93,607,800	**96,607,800**	93,607,800
Retained Earnings		**9,806,379**	13,764,358	**(5,775,989)**	(6,094,203)
Translation reserve		**268,365**	(2,096,536)	–	–
Minority Interest	16	**1,602,332**	1,477,555	–	–
Total Equity		**108,284,876**	106,753,177	**90,831,811**	87,513,597

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 31 March 2015

(Expressed in United States dollars)

		Consolidated				
	Note	Share Capital $	Translation Reserve $	Retained earnings $	Non-Controlling Interest $	Total Equity $
As at 1 April 2014	15	**93,607,800**	**(2,096,536)**	**13,764,358**	**1,477,555**	**106,753,177**
Issued during the year		3,000,000	–	–	–	3,000,00
Translation reserve		–	2,364,901	–	(176,665)	2,188,236
Profit for year		–	–	(2,957,979)	421,442	(2,536,537)
Other Comprehensive Income		–	–	–	–	–
Dividend paid		–	–	(1,000,000)	(120,000)	(1,120,000)
As at 31 March 2015	15	**96,607,800**	**268,365**	**9,806,379**	**1,602,332**	**108,284,876**
As at 1 April 2013	15	**93,607,800**	**(821,476)**	**12,586,780**	**1,219,449**	**106,592,553**
Issued during the year		–	–	–	–	–
Translation reserve		–	(1,275,060)	–	(164,460)	(1,439,520)
Profit for year		–	–	2,233,908	542,566	2,776,474
Other Comprehensive Income		–	–	(10,557)	–	(10,557)
Dividend paid		–	–	(1,045,773)	(120,000)	(1,165,773)
As at 31 March 2014	15	**93,607,800**	**(2,096,536)**	**13,764,358**	**1,477,555**	**106,753,177**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity (continued) for the year ended 31 March 2015

(Expressed in United States dollars)

		Standalone		
	Note	Share Capital $	Retained earnings $	Total Equity $
As at 1 April 2014	16	**93,607,800**	**(6,094,203)**	**87,513,597**
Shares issued		3,000,000	–	3,000,000
Profit for year		–	1,318,214	1,318,214
Other Comprehensive Income		–	–	–
Dividend paid		–	(1,000,000)	(1,000,000)
As at 31 March 2015	16	**96,607,800**	**(5,775,989)**	**90,831,811**
As at 1 April 2013	16	**93,607,800**	**(6,417,598)**	**87,190,202**
Profit for year		–	1,323,395	1,323,395
Other Comprehensive Income		–	–	–
Dividend paid		–	(1,000,000)	(1,000,000)
As at 31 March 2014	16	**93,607,800**	**(6,094,203)**	**87,513,597**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the year ended 31 March 2015

(Expressed in United States dollars)

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Cash flows from operating activities				
Profit before taxation	**(1,807,077)**	3,400,275	**1,318,214**	1,323,395
Adjustment for:				
Depreciation	**1,327,984**	1,403,906	**–**	–
Share of associates net (profit) / loss	**1,284,829**	(174,773)	**–**	–
Interest income	**(465,200)**	(439,070)	**(307,054)**	(289,717)
Dividend received	**–**	–	**(1,067,552)**	(1,067,552)
Interest expense	**–**	1,587	**–**	–
Loss on disposal of fixed assets	**–**	–	**–**	–
Gain on remeasurement of pre-existing interest	**–**	–	**–**	–
Impact of foreign currency translation	**2,836,659**	(827,018)	**–**	–
(Increase)/Decrease in assets:				
Decrease in receivables	**297,790**	(174,624)	–	–
Decrease in inventories	**46,371**	92,081	**–**	**–**
Decrease/(Increase) in prepayments	**108,357**	152,841	**–**	–
(Decrease)/Increase in liabilities:				
(Decrease)/Increase in payables	**29,074**	(222,384)	**–**	(20,000)
(Decrease)/Increase in provision	**(15,199)**	230,265	**–**	–
Cash generated from/(used by) operations	**3,643,588**	3,443,186	**(56,392)**	(53,874)
Interest paid	**–**	1,587	**–**	–
Taxes paid	**733,772**	493,341	**–**	–
Net cash flows (used by)/from operating activities	**2,909,816**	2,948,258	**(56,392)**	(53,874)
Cash flows from investing activities				
Dividend received	**–**	–	**1,067,552**	1,067,552
Acquisition of fixed assets	**(682,051)**	(626,355)	**–**	–
Purchase of furniture, fixtures and equipment from provision for furniture, fixtures and equipment	**(375,341)**	(406,418)	**–**	–
Proceeds from sale of property, plant and equipment	**–**	–	**–**	–
Repayment of advance to related party	**–**	–	**–**	–
Share of associates net (profit)/loss	**–**	–	**–**	–
Payment for acquisition of investments	–	–	**(3,000,000)**	–
Interest received	**42**	242	–	44
Dividend paid	**(1,000,000)**	(1,045,773)	**(1,000,000)**	(1,000,000)
Dividend paid to minority interest	**(120,000)**	(120,000)	–	–
Net cash flows from/(used by) investing activities	**(2,177,350)**	(2,198,304)	**(2,932,448)**	67,596
Cash flows from financing activities				
Proceeds from issuance of shares	**3,000,000**	–	**3,000,000**	–
Loans to related party	**(1,881,000)**	–	**–**	–
Repayment of bank loans	**–**	(231,700)	**–**	–
Net cash flows from financing activities	**1,119,000**	(231,700)	**3,000,000**	–
Net increase/(decrease) in cash and cash equivalents	**1,851,466**	518,254	**11,160**	13,722
Cash and cash equivalents at beginning of year	**11,532,352**	11,014,098	**951,806**	938,084
Effect of exchange rate changes on cash balances	**–**	–	**–**	–
Cash and cash equivalents at end of year (Note 11)	**13,383,818**	11,532,352	**962,966**	951,806

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Notes fo the Financial Statements For the year ended 31 March 2015

1. **Corporate Information**
   The financial report of EIH International Ltd and its controlled entities (the "Group") for the year ended 31 March 2015 was authorised for issue on 13th May 2015.

   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.

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
   The accounting policies adopted are consistent with those of the previous financial year. There are a number of standards issued not yet effective which have been considered by management and are not expected to have a material impact on the business.

   (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 2015 (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

Notes fo the Financial Statements *(Contd.)*
For the year ended 31 March 2015

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 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.

Notes fo the Financial Statements *(Contd.)*
For the year ended 31 March 2015

(k) Investments

Other investments are carried at cost, less provision for any permanent diminution in value. Similarly, parent entity investments in subsidiaries are recorded at cost less provision for any permanent diminution in value.

(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 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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

The reporting dates of the associates and the Group are identical and 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

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 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 be 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.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

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 calculated based on the remaining terms of the respective contracts.

(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
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 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.

(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.

– 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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

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 is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. 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 to hotel is recognised by reference to the billing to the customers.

(ii) *Sale of Goods*
Revenue is recognised when the significant risk and rewards of ownership have passed to the buyer, the amount can be reliably measured and collectibility of the related receivables is reasonably assured. Risks and rewards are considered passed to the buyer at the time of despatch or at the time of delivery of the goods to the customer.

(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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

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.

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Hotel revenues	**11,813,644**	12,152,906	**–**	–
Hotel management fees	**860,953**	635,563	**–**	–
Sales and marketing	**685,313**	518,974	**–**	–
Royalty	**8,141**	3,108	**–**	–
Dividends	**–**	–	**1,067,552**	1,067,552
Interest	**465,200**	439,070	**307,054**	289,717
	13,833,251	13,749,621	**1,374,606**	1,357,269

4. Profit Before Taxation

Profit before taxation is arrived at after charging and crediting :

After charging:

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Audit remuneration:				
– audit of financial report	**124,492**	115,280	**43,415**	40,997
– accounting advice	**–**	–	**–**	–
	124,492	115,280	**43,415**	40,997

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:

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Profit before tax	**(1,807,077)**	3,400,275	**1,318,214**	1,323,395
Tax at the statutory tax rate of Nil% (2014: Nil%)	**–**	–	**–**	–
Tax rate differential in foreign Countries	**(729,460)**	(623,801)	**–**	–
Tax expense	**(729,460)**	(623,801)	**–**	–

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

6. Directors' Remuneration

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Fees	**–**	–	**–**	–
Other emoluments	**–**	–	**–**	–
	–	–	**–**	–

7. Investments

Investments in Subsidiaries

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Unlisted shares, at cost	**–**	–	**79,043,814**	76,043,814
Other Investments				
Other investments	**15,915,786**	17,200,615	**5,631,500**	5,631,500

Other investments represent investments in Oberoi Mauritius Limited and Tourism Investment Company at Sahl Hasheesh and La Roseraie De L'Atlas SA.

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Total investments	**15,915,786**	17,200,615	**84,675,314**	81,675,314

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

7. Investments (Contd...)

Details of the subsidiaries are as follows:

Name	Place of Incorporation	Percentage of equity attributable to the Company Directly	Indirectly	Principal Activities	Directors
EIH Holdings Ltd	British Virgin Islands	94.78	5.22	Hotel Investment and Management	Mr. P.R.S. Oberoi Mr. D. Madhok Mr. P. Selvadurai
EIH Marrakech Limited	British Virgin Islands	100	–	Investment	Mr. P.R.S. Oberoi Mr. S.S. Mukherji Mr. D. Madhok
PT Widja Putra Karya	Indonesia	21.11	48.89	Hotel ownership	I Wayan Pasek I Ketut Siandana Mr. Deepak Madhok
PT Waka Oberoi Indonesia	Indonesia	26.20	57.13	Hotel ownership	I Wayan Pasek I Ketut Siandana Mr. Deepak Madhok
J&W Hongkong Limited	Hongkong	100	–	Investment	Mr. P.R.S. Oberoi Mr. D. Madhok Mr. P. Selvadurai
EIHH Corporation Ltd.	Hongkong	–	100	Investment	Mr. P.R.S. Oberoi Mr. D. Madhok Mr. P. Selvadurai
EIH Investment N.V.	Netherlands Antilles	–	100	Investment and Management	Intertrust (Curacao) BV
EIH Management Services B.V.	Netherlands	–	100	Hotel Management and Investment	TMF Management B.V.
PT Astina Graha Ubud	Indonesia	–	60	Hotel Development	I Wayan Pasek Tjokorda Raka Kerthayasa Mr. Deepak Madhok

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

(Expressed in United States dollars)

8. Property, Plant and Equipment

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Freehold Land				
At Cost	**5,496,922**	5,559,584	**–**	–
Accumulated depreciation	**–**	–	–	–
	5,496,922	5,559,584	–	–
Freeholdd Buildings				
At Cost	**3,811,305**	4,151,661	–	–
Accumulated depreciaton	**(2,733,870)**	(2,934,573)	–	–
	1,077,435	1,217,088	–	–
Plant and Equipment				
At Cost	**1,992,686**	2,221,048	–	–
Accumulated depreciation	**(1,718,656)**	(1,887,824)	–	–
	274,030	333,224	–	–
Furniture & Fittings				
At Cost	**3,018,119**	3,190,918	–	–
Accumulated depreciation	**(2,612,115)**	(2,789,141)	–	–
	406,004	401,777	–	–
Motor Vehicles				
At Cost	**150,980**	158,216	–	–
Accumulated depreciation	**(100,684)**	(142,321)	–	–
	50,296	15,895	–	–
Project Expenses	**1,348,812**	1,191,505	–	–
Total property, plant and equipment, net	**8,653,499**	8,719,073	–	–
At cost	**15,818,824**	16,472,932	–	–
Accumulated depreciation	**(7,165,325)**	(7,753,859)	–	–
Written Down Value	**8,653,499**	8,719,073	–	–

9. Intangible Assets

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Goodwill	**30,738,758**	30,738,758	**–**	–
Management contracts	**36,400,000**	36,400,000	**–**	–
Less: accumulated amortisation	**(3,640,000)**	(2,730,000)	–	–
Management contracts, net	**32,760,000**	33,670,000	–	–
	63,498,758	64,408,758	**–**	–

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

(Expressed in United States dollars)

10. Amount Due from Related Parties

The amounts due from related parties are unsecured, non-interest bearing and without predetermined repayment terms.

11. Cash and Cash Equivalents

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Cash at Bank	**13,372,678**	11,524,403	**962,966**	951,806
Cash on hand	**11,140**	7,949	–	–
	13,383,818	11,532,352	962,966	951,806

12. Receivables

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Trade receivables	**580,479**	960,546	**–**	–
Other receivables	**26,606**	48,127	**–**	–
	607,085	1,008,673	**–**	–

13. Payables

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Third parties	**1,825,858**	1,877,027	**50,000**	50,000
Related parties	**–**	–	**–**	–
	1,825,858	1,877,027	**50,000**	50,000

14. Amounts Due to Related Parties

The amounts due to the related parties are unsecured and without predetermined repayment terms.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2015

(Expressed in United States dollars)

15. Contributed Equity

Share Capital

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Issued and fully paid: 96,607,800 (2014: 93,607,800) ordinary shares	**96,607,800**	93,607,800	**96,607,800**	93,607,800

	Consolidated		Standalone	
	Number of shares	$	**Number of shares**	$
As at 31 March 2013	**93,607,800**	93,607,800	**93,607,800**	93,607,800
Shares issued	**–**	–	**–**	–
As at 31 March 2014	**93,607,800**	93,607,800	**93,607,800**	93,607,800
Shared issue	**3,000,000**	3,000,000	**3,000,000**	3,000,000
As at 31st March 2015	**96,607,800**	96,607,800	**96,607,800**	96,607,800

16. Non-controlling interest

	Consolidated		Standalone	
	31 March 2015 $	31 March 2014 $	**31 March 2015 $**	31 March 2014 $
Contributed equity	**3,158,046**	3,158,046	**–**	–
Translation reserve	**(819,800)**	(164,460)	**–**	–
Dividend paid	**(120,000)**	(120,000)	**–**	–
Retained earnings	**(1,037,356)**	(1,938,597)	**–**	–
Current year profit	**421,442**	542,566	**–**	–
	1,602,332	1,477,555	**–**	–

17. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified.

Notes to the Financial Statements *(Contd...)* for the year ended 31 March 2015

18. Commitments and Contingencies

EIH Holdings Ltd (subsidiary company)

In Mauritius, the Mauritius Revenue Authority (MRA) in its tax assessment determined the Basic Management Fee as Royalty derived by EIH Holdings Ltd to be taxable without any deductions and 50% of the Incentive Management Fee taxable, after allowance for an expense deduction of 65% of the Incentive Management Fee. The applicable tax rate is 15%. As at 31 March 2015, the assessed tax for the years ended 30 June 2001 to 30 June 2010 is US$608,543 and penalties of US$407,934.

Based on the advice received from PricewaterhouseCoopers, the Company claimed that only 20% of both the Basic and Incentive Management fees should be taxed and 80% of such taxable income should be allowed as an expense deduction. The total tax payable under this formula from 30 June 2001 to 31 March 2015 is US$40,933. The Company has paid $32,660 as at 31 March 2015.

The Company does not accept the methodology adopted by the MRA and lodged appeal with Assessment Review Committee (ARC). The Company has made an on-account payment of US$319,510 in order to lodge the appeal with ARC.

The MRA did not agree with the Company and the matter has been presented and heard before the ARC and their ruling is awaited.

If successful, the amount of US$319,510 will be refunded. It not, the liability of the Company will be the US$608,543 and US$407,934 already assessed by the MRA as at 31 March 2015, plus US$244,993 (applying the same basis of calculation for the years ended 30 Juune 2011 to 31 March 2015) and any applicable penalties.

The total tax liability will therefore be US$1,261,471 plus penalties on tax for the years ended 30 June 2011 to 31 March 2015, estimated at US$159,246. Other than the payments made to the MRA as outlined above, no amount has been provided as the Company believes that the ruling will be returned in its favour, and therefore no tax will be required to be paid.

Oberoi Mauritius Ltd (jointly controlled entity)

In Mauritius, the Mauritius Revenue Authority (MRA) assessed the Company for payment of tax on interest income commencing from the year ended 30 June 2003 to 30 June 2010. MRA in its tax assessments determined the interest on the loan receivable from Island Resort Limited as taxable without deducting interest payable on the loan from shareholders. The assessed tax and penalty as per MRA is US$1,282,926 and US$730,935 respectively for the years ended 30 June 2003 to 30 June 2010.

The Company has claimed that the interest on shareholders loans should be allowed as an expense deduction. The Company does not accept the method of taxation of interest income without deduction of interest expense. The Company lodged tax returns every year on this basis and has paid tax of US$30,660.

The matter went for review by the Assessment Review Committee (ARC) and the Company made on-account payments of US$635,614 as part of the review process. In addition, the Company has paid the balance of tax as claimed by MRA amounting to US$323,045 for the years 2007-08 to 2010-11 without prejudice to its right of appeal, to avoid payment of interest. ARC in April 2012 decided that the interest expense is not allowable as a deduction but it is still reviewing whether MRA used its discretion properly in determining that the deduction of interest expense was disallowable. Notwithstanding, the Company has lodged a submission with ARC as it believes that interest expense should be allowed as a deduction.

The ruling from ARC is awaited and if it is not in the Company's favour, then the Company has to pay US$1,282,926 ad US$730,935 as above less US$635,614, US$30,660 and US$323,045 already paid for the years ended 30 June 2003 to 30 June 2010 i.e. US$1,024,542. Further, the estimated tax liability for the years ended 30 June 2010 to 31 March 2015 is US$565,943 plus applicable penalty on this amount.

In all, the outstanding tax liability will be US$1,590,485 plus penalty for years ended 30 June 2010 to 31 March 2015. Other than the payments made to the MRA as outlined above, no amount has been provided as the Company believes that the ruling will be returned in its favour, and therefore no tax will be required to be paid.

Directors' Statement

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 31 March 2015;

(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 31 March 2015; 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.

Melbourne
13 May 2015

DEEPAK MADHOK
Director