Annual Reports
2018-2019

MUMTAZ HOTELS LIMITED
MASHOBRA RESORT LIMITED
OBEROI KERALA HOTELS AND RESORTS LIMITED
EIH FLIGHT SERVICES LTD
EIH INTERNATIONAL LTD
EIH HOLDINGS LTD
EIH INVESTMENTS N.V.
EIH MANAGEMENT SERVICES B.V.
PT WIDJA PUTRA KARYA
PT WAKA OBEROI INDONESIA
PT ASTINA GRAHA UBUD

MUMTAZ HOTELS LIMITED

BOARD OF DIRECTORS

Mr. Prithviraj Singh Oberoi, *Chairperson*
Mr. Shivy Bhasin, *Vice Chairman*
Mr. Bharath Bhushan Goyal, *Managing Director (upto 6th April 2019)*
Mr. T. K. Sibal
Mr. Manish Goyal, *Managing Director (w.e.f. 17th May 2019)*
Mr. Vikramjit Singh Oberoi
Mr. Arjun Singh Oberoi
Mr. Manav Goyal *(w.e.f. 17th May 2019)*
Mr. Raj Kumar Kataria, *Independent Director*
Mr. Sandeep Kumar Barasia, *Independent Director*

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 Twenty-ninth Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the Financial Year ended 31st March 2019.

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

PARTICULARS	***Rupees (in million)***	
	2018-19	**2017-18**
Total Revenue	**1,071.29**	1,037.02
Earnings before Interest, Depreciation and Amortization, Taxes and Exceptional Items (EBIDTA)	**496.38**	463.11
Finance Costs	**0.32**	0.29
Depreciation	**22.34**	21.78
Profit before Tax	**473.72**	441.04
Current Tax	**135.47**	151.36
Deferred Tax	**0.53**	(19.39)
Profit after Tax	**337.72**	309.07
Other Comprehensive Income/(Loss), net of tax	**(0.06)**	(0.03)
Total Comprehensive Income	**337.66**	309.04
Profit/ (Loss) Brought forward from earlier years	**626.20**	317.16
Dividend	**(154.88)**	-
Dividend Distribution Tax	**(31.84)**	-
General Reserve	**-**	-
Profit/ Loss Carried Over	**777.14**	626.20

Performance
During the Financial Year under review, the Company's Total Revenue was ₹ 1,071.29 million as compared to ₹ 1,037.02 million in the previous year. This represents an increase of 3.30% as compared to the previous year. The Profit for the year before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was ₹ 496.38 million as compared to ₹ 463.11 million in the previous year, an increase of 7.18%. The Profit after tax was ₹ 337.72 million as compared to ₹ 309.07 million, an increase of 9.27%. Total Comprehensive Income was ₹ 337.66 million as compared to ₹ 309.04 million in the previous year, an increase of 9.26%.

Renovation of the Hotel
The Company's hotel, *The Oberoi Amarvilas, Agra* is almost 18 years old. No major renovation work was carried out since the establishment of the Hotel. The Board of Directors have approved renovation of the hotel in two phases. Phase-1 renovation will be carried out during 11th April 2019 to 30th September 2019. Phase-2 renovation will be carried out during 2nd April 2020 to 30th September 2020. The estimated Capital Expenditure and other expenses for renovation of the hotel in both the phases is ₹ 500 million (Rupees five hundred million). The hotel will be partially closed during both the phases of renovation. Adequate measures will be taken to ensure smooth operation of the hotel during the renovation period. The hotel occupancy and revenue is not expected to be affected as the renovations in phases are being carried out during off season.

Dividend
The Board recommends a Dividend of ₹ 7.50 per equity share of ₹ 10 each for the Financial Year 2018-19 for approval by the Shareholders at the forthcoming Annual General Meeting. The dividend, if declared at the Annual General Meeting, will be paid on 16th August 2019. As per the Income Tax Act, 1961, the tax on dividend will be borne by the Company. The outgo on Dividend and Dividend Distribution Tax will be ₹ 186.72 million.

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 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
Mr. Bharat Bhushan Goyal (DIN: 00059157), Managing Director was re-appointed by the Board as the Managing Director of the Company for a period of 5 (five) years with effect from 28th October 2018, without remuneration, at the Board Meeting held on 5th September 2018, subject to the approval of the shareholders. Subsequently, the shareholders approved the appointment of Mr. Bharat Bhushan Goyal as the Managing Director at the Extra-ordinary General Meeting of the Company held on 19th December 2018.

The Directors, with deep regret, report the sad and untimely demise of Mr. Bharat Bhushan Goyal, Managing Director on 7th April 2019. The Directors wish to place on record their highest gratitude and appreciation of the valuable contributions and the guidance given by Mr. Bharat Bhushan Goyal to the Board during his tenure as Managing Director of the Company for over two decades.

At the Board Meeting held on 17th May 2019, the Board has appointed Mr. Manish Goyal (DIN: 00059182) as the Managing Director of the Company for a period of 5 (five) years with effect from 17th May 2019, without remuneration, subject to the approval of the Shareholders at the forthcoming Annual General Meeting. The Board has also appointed Mr. Manav Goyal (DIN: 00066861) as a Director on the Board of the Company in the casual vacancy caused due to the demise of Mr. Bharat Bhushan Goyal. In accordance with Section 161(4) of the Act, the appointment of Mr. Manav Goyal in the causal vacancy is required to be approved by the Shareholders at the next Annual General Meeting of the Company. Mr. Manav Goyal will hold office as Director up to the date up to which Mr. Bharat Bhushan Goyal would have held, had he not vacated his office as a Director due to his demise.

The Directors recommend to the Shareholders appointment of Mr. Manish Goyal as Managing Director of the company and Mr. Manav Goyal as a regular Director on the Board.

Mr. Prithviraj Singh Oberoi (DIN:00051894) and Mr. Arjun Singh Oberoi (DIN:00052106) 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. Prithviraj Singh Oberoi and Mr. Arjun Singh Oberoi.

Key Managerial Personnel
Mr. Kallol Kundu was appointed as the Chief Financial Officer of the Company, in place of Mr. Biswajit Mitra at the Board Meeting held on 19th December 2018. Mr. Biswajit Mitra ceased to be the Chief Financial Officer of the Company with effect from 19th December 2018.

Board Meeting
During the year, four Board Meetings were held on 18th May 2018, 5th September 2018, 19th December 2018 and 22nd March 2019 respectively. Attendance of the Directors in the meeting is as under:

Name of the Director	No. of Meetings attended
Mr. Prithviraj Singh Oberoi	4
Mr. Shivy Bhasin	4
Mr. Bharat Bhushan Goyal	2(2)
Mr. Tej Kumar Sibal	4
Mr. Manish Goyal	4
Mr. Vikramjit Singh Oberoi	2
Mr. Arjun Singh Oberoi	2
Mr. Rajkumar Kataria	2
Mr. Sandeep Kumar Barasia	2

( ) number in bracket represent meeting(s) attended through video conference out of the total number of meetings attended

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 Director, 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 Company had formulated a CSR Policy in the Financial Year 2014-15. The policy can be accessed on the holding Company's website, www.eihltd.com.

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2018-19 is given in **Annexure-I**, which forms a part of this report. The Annexure also gives the composition of the CSR committee.

During the Financial Year, the CSR Committee met on 5th September 2018 and on 22nd March 2019. Mr. Manish Goyal, member attended both the meetings. Mr. Vikramjit Singh Oberoi, Chairperson, Mr. Rajkumar Kataria and Mr. Arjun Singh Oberoi, members, attended one meeting each.

In addition to the mandatory CSR spend in accordance with the Act, during the year, Company's Hotel had taken the following CSR initiatives:

- Visit was organised to Shiros, an NGO run restaurant for "Acid attack" victims. The employees of the café were taken through a hand hygiene activity where they were practically shown the correct way of washing hands and the importance of hand hygiene was explained to them;
- Hand Hygiene activity in association with Johnson Diversy was organised for Housekeeping / Kitchen Stewarding third party contract staff;
- Visit was organised for kitchen executives and a few select employees to Ladoo Gopal School (A private school near Taj Mahal) and all 150 students were practically shown the correct way of washing hands and the importance of hand hygiene was explained to them in classroom style.

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. At the Group level, a comprehensive Risk Management policy, procedure and Risk Committee is in place which is being followed by the Company's hotel, *The Oberoi Amarvilas* and the Company as a whole. The risk, if any, on the Company and the Company's hotel is monitored periodically and reported to the Board.

Energy Conservation Measures

Energy conservation measures during this year included installation of condensate heat recovery system and replacement of old incandescent and halogen lamps with LED lamps.

Measures planned for next year include replacement of old pumps with energy efficient pumps, replacement of old air blower with energy efficient air blower for STP and continued replacement of halogen and CFL lamps to energy efficient LED lamps.

The energy conservation initiatives through the energy conservation committee and energy audit will continue for managing and controlling energy use in all areas of hotel operations.

Foreign Exchange Earnings and outgo

Foreign Exchange earnings during the year amounted to ₹ 397.82 million as compared to ₹ 404.34 million in the previous year. The outflow of foreign exchange during the year was ₹ 37.64 million as compared to ₹ 26.63 million in the previous year.

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

Auditors and Auditor's Report
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, (FRN 117366W/ W 100018) ("Deloitte") as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years.

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.

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 Workplace (Prevention, Prohibition. and Redressal) Act, 2013.

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 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. 38 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.

Extract of Annual Return
Extract of the Annual Return in **Form MGT-9** is annexed as **Annexure - II**.

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, Internal Audit, Vigil Mechanism
The Company, also being an unlisted material subsidiary of EIH Ltd, had to conduct secretarial audit of the records of the Company by a Practicing Company Secretary under the listing regulations applicable to EIH Ltd. Accordingly, the Secretarial Audit of the records of the Company was conducted by a Practicing Company Secretary and attached with the Annual Report of EIH Ltd. The Company does not qualify for the requirement of establishment of a vigil mechanism

in terms of 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. Bharat Bhushan Goyal, Managing Director, has not drawn any remuneration from the Company. The Key Managerial Personnel, Mr. Biswajit Mitra, Chief Financial Officer (up to 18th December 2018), Mr. Kallol Kundu, Chief Financial Officer (with effect from 19th December 2018) and Mr. S.N. Sridhar, Company Secretary do not draw any remuneration from the Company. Sitting fee of ₹ 40,000 per meeting of the Board or a committee thereof is paid to all Directors. Total sitting fee paid during the Financial Year 2018-19 was ₹ 1.24 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.

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

The Oberoi Amarvilas, Agra, Uttar Pradesh, India	Top 10 Hotels for Romance – India (Ranked 1st) 5 Best Resort Hotels in India (Ranked 1st) Best Resort Hotels in India (Ranked 5th)	Trip Advisor Travellers' Choice Awards 2019; *Travel+Leisure*, USA World's Best Awards, Readers' Survey 2018; *Travel+Leisure,* USA World's Best Awards, Readers' Survey 2017.

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	**Shivy Bhasin**	**Prithviraj Singh Oberoi**
Date: 17th May 2019	***Vice Chairperson***	***Chairperson***

Annexure -I

Format for the Annual Report on CSR Activities to be included in the Board Report

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and projects and programs.**

   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.

   The Board of Directors at the Board meeting held on 5th September 2018, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 9.34 million. This amount included 2% of average net profit of the Company for the last three Financial Years and the carry forward CSR spend of ₹ 0.52 million from the previous year. This was spent on the following:

   a) Primary healthcare services for India's elderly population (60+ years) who are poor and needy through HelpAge India;
   b) Promoting education for the underprivileged children through Kailash Satyarthi Children's Foundation;
   c) Swachh Bharat Abhiyan.

   The CSR Policy and the activities of the Company are available in the holding Company's website www.eihltd.com.

2. **Composition of the CSR Committee**

   i) Mr. Vikramjit Singh Oberoi - Chairperson;

   ii) Mr. Arjun Singh Oberoi - Member;

   iii) Mr. Manish Goyal - Member;

   iv) Mr. Rajkumar Kataria - Member.

3. **Average Net Profit of the Company for the last three Financial Years**

   ₹ 440.94 million

4. **Prescribed CSR Expenditure (two percent of the amount as in Item 3 above).**

   ₹ 8.82 million

5. **Details of CSR spent during the Financial Year**

   a) Total Amount to be spent for the Financial year : ₹ 9.34 million

   b) Amount unspent, if any : NIL

c) Manner in which the amount spent during the Financial Year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise (in millions)**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads : (in millions)**	**Cumulative expenditure up to the reporting period (in millions)**	**Amount spent Direct or through implementing agency**
1	Primary health care services for India's elderly population (60+ years) for the poor and needy	Urban	Agra, Uttar Pradesh	3.50	3.50	3.50	HelpAge India
2	Swachh Bharat Abhiyan	Urban	Agra, Uttar Pradesh	0.30	0.29	0.29	Direct
3.	Promoting education for the under-privileged children	Urban	Agra, Uttar Pradesh	5.00	5.55	5.55	Kailash Satyarthi Children's Foundation
			TOTAL	**8.80**	**9.34**	**9.34**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report.

   The Company has fully spent the CSR amount of ₹ 9.34 Million in the Financial Year which includes the carry forward amount from previous year of ₹ 0.52 Million.

7. The CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Vikramjit Singh Oberoi
Chairperson – CSR Committee

Prithviraj Singh Oberoi
Chairperson

Annexure- II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As at end of Financial Year on 31.03.2019

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U55101WB1990PLC095270
2.	Registration Date	01/10/1990
3.	Name of the Company	Mumtaz Hotels Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non Government Company
5.	Address of the Registered office & contact details	4, Mangoe Lane, 6th Floor, Kolkata - 700001, West Bengal
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	HOTELS	9963/99631110	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable Section
1	EIH Ltd, 4, Mangoe Lane, Kolkata – 700001	L55101WB1949PLC017981	HOLDING	60%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	82,60,010	82,60,010	40.00	-	82,60,010	82,60,010	40.00	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	12,389,990	12,389,990	60.00	-	12,389,990	12,389,990	60.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**-**	**20,650,000**	**20,650,000**	**100.00**	**-**	**20,650,000**	**20,650,000**	**100.00**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**2,06,50,000**	**2,06,50,000**	**100.00**	**-**	**2,06,50,000**	**2,06,50,000**	**100.00**	**-**

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vijay Goyal	260,005	1.26	-	260,005	1.26	-	-
2	Manish Goyal	8,18,713	3.96	-	8,18,713	3.96	-	-
3	Manav Goyal	1,098,065	5.32	-	1,098,065	5.32	-	-
4	Ravish Goyal	818,711	3.96	-	818,711	3.96	-	-
5	Vinish Goyal	818,712	3.96	-	818,712	3.96	-	-
6	Gaurav Goyal	10,98,065	5.32	-	10,98,065	5.32	-	-
7	Chandra Soni	113,752	0.55	-	113,752	0.55	-	-
8	Mridu Bhasin	1,560,107	7.55	-	1,560,107	7.56	-	-
9	Shivy Bhasin	1,560,108	7.56	-	1,560,108	7.56	-	-
10	EIH Limited	12,389,990	60.00	-	12,389,990	60.00	-	-
11	EIH Limited jointly with P.K. Sarkar	1	-	-	1	-	-	-
12	EIH Limited jointly with S.N. Sridhar	1	-	-	1	-	-	-
13	EIH Limited jointly with Biswajit Mitra	2	-	-	2	-	-	-
14	EIH Limited jointly with M.K Mukherjee	1	-	-	1	-	-	-
15	EIH Limited jointly with Manas Kumar Datta	1	-	-	1	-	-	-
16	EIH Limited jointly with P.K. Mukhopadhyay	1	-	-	1	-	-	-
17	EIH Limited jointly with S.S. Mondal	1	-	-	1	-	-	-
18	EIH Limited jointly with Sumit Nag	1	-	-	1	-	-	-
19	EIH Limited jointly with S. Dutta	1	-	-	1	-	-	-
20	Shikha Madan	56,881	0.28	-	56,881	0.28	-	-
21	Ankush Malhotra	56,881	0.28	-	56,881	0.28	-	-
22	EIH Limited jointly with Tejasvi Dixit	-	-	-	1	-	-	-
23	EIH Limited jointly with Bishan Kumar Seal	-	-	-	1	-	-	-
24	EIH Limited jointly with Mr. Rajesh Shroff	-	-	-	1	-	-	-
25	EIH Limited jointly with Ms. Indrani Ray	-	-	-	1	-	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

a. EIH Limited jointly with P.K. Sarkar

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer			(1)	-
3	At the end of the year			-	-

b. EIH Limited jointly with M.K Mukherjee

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer			(1)	-
3	At the end of the year			-	-

c. EIH Limited jointly with P.K. Mukhopadhyay

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer			(1)	-
3	At the end of the year			-	-

d. EIH Limited jointly with Manas Kumar Dutta

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer			(1)	-
3	At the end of the year			-	-

e. EIH Limited jointly with Tejasvi Dixit

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer / transmission			1	-
3	At the end of the year			1	-

f. EIH Limited jointly with Bishan Kumar Seal

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer / transmission			1	-
3	At the end of the year			1	-

g. EIH Limited jointly with Rajesh Shroff

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer / transmission			1	-
3	At the end of the year			1	-

h. EIH Limited jointly with Ms. Indrani Ray

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**1**	**-**		
2	Decreased on 05.09.2018 due to transfer / transmission			1	-
3	At the end of the year			1	-

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NOT APPLICABLE			
	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

S. NO. 1	MR. SHIVY BHASIN VICE CHAIRMAN	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	15,60,108	7.56		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the end of the year			15,60,108	7.56

S. NO. 2	MR. MANISH GOYAL DIRECTOR	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	818,713	3.96		
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
3	At the end of the year			818,713	3.96

V. INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1.34	-.	-	1.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1.34**	**-**	**-**	**1.34**
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	(0.38)	-	-	(0.38)
Net Change	**(0.38)**	**-**	**-**	**(0.38)**
Indebtedness at the end of the Financial Year				
i) Principal Amount	0.96	-	-	0.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**0.96**	**-**	**-**	**0.96**

Note:

1. The Finance lease obligations are secured by hypothecation of vehicles taken under lease. Repayment are done by equated monthly instalment over a period of 36 to 60 months.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (₹ in Million)
		Mr. Bharat Bhushan Goyal, MD	
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others- Sitting fee	0.08	0.08
	Total (A)	0.08	0.08
	Ceiling as per the Act	10% of Net Profit	

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount (₹ in Million)
		Mr. Sandeep Kumar Barasia	Mr. Raj Kataria	
1	Independent Directors			
	Fee for attending board committee meetings	0.08	0.12	0.20
	Commission			
	Others, please specify			
	Total (1)	0.08	0.12	0.20

2	Other Non-Executive Directors	Mr. Prithviraj Singh Oberoi	Mr. Shivy Bhasin	Mr. Vikramjit Singh Oberoi	Mr. Arjun Singh Oberoi	Mr. Manish Goyal	Mr. Tej Kumar Sibal	Total Amount (₹ in Million)
	Fee for attending board committee meetings	0.16	0.16	0.12	0.12	0.24	0.16	0.96
	Commission							
	Others, please specify							
	Total (2)							**0.96**
	Total (B)=(1+2)							**1.16**
	Total Managerial Remuneration							**Nil**
	Overall Ceiling as per the Act	11% of Net Profits						

Note: Sitting fee does not forms part of Managerial Remuneration

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit others, specify…	- -	- -	- -	- -
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment	None				
Compounding	None				
B. DIRECTORS					
Penalty	None				
Punishment	None				
Compounding	None				
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment	None				
Compounding	None				

For and on behalf of the Board

Place: Delhi
Date: 17th May 2019

Shivy Bhasin
Vice Chairperson

Prithviraj Singh Oberoi
Chairperson

SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2019

[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 conducts/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, 2019 ("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, 2019, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;

II. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under 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 there under.
   c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
   d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
   e) Phonographic and Performance License.
   f) Indian Explosives Act, 1884 and Rules made there under.
   g) The Apprentices Act, 1961 and Rules made there under.
   h) India Boiler Act, 1923

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

We further report that:

1. The Board of Directors of the Company is duly constituted, in terms of the provisions of the Act. Mr. Bharat Bhushan Goyal, Managing Director of the Company expired on April 07, 2019. As per management confirmation, the Company is taking effective steps to appoint a Managing Director within the time as stipulated in the Act.

2. 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 July 05, 2017, the requirement of appointment of Independent Directors for a Joint Venture Company has been dispensed with. However, Mr. Raj Kataria and Mr. Sandeep Kumar Barasia who were appointed in the year 2015 as Independent Directors for a consecutive period of five (5) years continue on the Board as Independent Directors.

3. During the financial year, due 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.

4. All the decisions are carried unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the financial year.

5. The Shareholders in its Extra Ordinary General meeting held on December 19, 2018, approved the re-appointment of Mr. Bharat Bhushan Goyal as Managing Director of the Company, without payment of any remuneration, under section 196 and other applicable provisions of the Companies Act read with Schedule V of the Act, and Rules made there under.

6. The Shareholders of the Company in its Annual General meeting held on August 1, 2018 approved payment of dividend @ ₹ 7.50 per share.

We further report on the following specific events, as under:

A. The Board of Directors of the Company in its meeting held on May 18, 2018 increased the limit to invest surplus fund of the Company in fixed deposit with banks and mutual funds from Rs. 50 crores to Rs. 100 crores.

B. The Board of Directors of the Company in its meeting held on December 19, 2018 appointed Mr. Kallol Kundu as the Chief Financial Officer of the Company.

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 the General Manager of Mumtaz Hotel Limited to the Company Secretary of the Company. Also, the internal auditor's team of EIH Limited ("EIHL") conducts audit of all hotels run by EIHL, along with unlisted material subsidiaries and joint venture companies of EIHL, as part of its Compliance Management and Reporting System. Based on the aforesaid, a compliance certificate is placed before the Board meeting of EIHL by its

Company Secretary. The compliance certificates shall also be placed before the Board of Directors along with the Financial Statements of the Mumtaz Hotels Limited for the financial year 2018-19. Based on the aforesaid internal compliance 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
Principal Consultant & Partner
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE073000

Date: 17-05-2019
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mumtaz Hotels Limited

Report on the Audit of the Ind AS Financial Statements

Opinion
We have audited the accompanying Ind AS financial statements of MUMTAZ HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 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 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, 2019, 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 Ind AS 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS 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 opinion on the Ind AS financial statements.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' 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 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 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 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.

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 Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) In the absence of representation from Mr. Bharath Bhushan Goyal as on 31 March, 2019 we are unable to comment whether he is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act. As far as other directors are concerned, on the basis of written representations received from the directors of the Company as on 31 March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 explanations given to us, the Company has not paid / provided remuneration to its directors during the year in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 6 and 39 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 34(B).

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 47.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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)

Place: Gurugram
Date: May 17, 2019

"ANNEXURE A" TO THE 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, 2019 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 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, 2019, 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)

Place: Gurugram
Date: May 17, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us and 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 immoveable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements.

(ii) As explained to us, 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 hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) 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, 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 31 March, 2019 for a period of more than six months from the date they became payable.

c. Details of dues of Income-Tax, Expenditure Tax, Sales Tax and Service Tax which have not been deposited as on 31 March, 2019 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	High Court	2007-2008	3.30
Income Tax Act, 1961	Income-Tax	Assessing Officer	2009-2010	0.10
Income Tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	2011-2012 to 2014-2015 and 2016-17	0.47 *
Sub Total of Income-Tax				3.87 *
Expenditure Tax Act, 1987	Expenditure Tax	Joint Commis-sioner of Expenditure Tax	2002-03	0.10
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	High Court	2007-08	- **
Finance Act, 1994	Service Tax	Commissioner (Appeals)	2012- 2013 to 2015-2016	0.96 #

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

* Net of ₹ 15.43 million paid under protest.

** Net of ₹ 0.19 million paid under protest.

\# Net of ₹ 0.04 million paid under protest

There are no dues of Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on 31 March, 2019 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 the Order 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 Order 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 the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order 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 the Order 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 companies 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)

Place: New Delhi
Date: May 17, 2019

Balance Sheet as at 31st March, 2019

	Note	As at March 31, 2019	Rupees Million As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**677.72**	673.60
(b) Capital work-in-progress		**4.14**	1.01
(c) Intangible assets	5	**1.60**	0.27
(d) Financial assets			
- Other financial assets	6	**10.61**	6.99
(e) Tax assets (net)	7	**42.64**	40.29
(f) Other non-current assets	8	**30.65**	3.44
Total non-current assets		**767.36**	725.60
Current assets			
(a) Inventories	9	**37.30**	30.73
(b) Financial assets			
(i) Investments	10	**481.99**	502.23
(ii) Trade receivables	11	**132.43**	115.11
(iii) Cash and cash equivalents	12	**35.67**	56.34
(iv) Other bank balances	13	**154.96**	7.35
(v) Other financial assets	14	**0.83**	0.91
(c) Other current assets	15	**30.30**	42.33
Total current assets		**873.48**	755.00
Total Assets		**1,640.84**	1,480.60
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	**206.50**	206.50
(b) Other equity	17	**1,156.14**	1,005.20
Total Equity		**1,362.64**	1,211.70
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**0.53**	0.96
(ii) Other financial liabilities	19	**0.14**	0.13
(b) Employee benefit obligations	20	**4.26**	4.13
(c) Deferred tax liabilities (net)	21	**114.54**	114.03
(d) Other non-current liabilities	22	**0.05**	0.06
Total non-current liabilities		**119.52**	119.31
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	36	**0.18**	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	37	**116.91**	105.75
(ii) Other financial liabilities	23	**4.29**	2.44
(b) Provisions	20	**0.03**	0.03
(c) Other current liabilities	24	**37.27**	40.59
Total current liabilities		**158.68**	149.59
Total Equity and Liabilities		**1,640.84**	1,480.60

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 Number 117366W/W - 100018)

For and on behalf of the Board

Alka Chadha
Partner
(Membership No. 93474)

P.R.S. Oberoi
Chairman
(DIN No: 00051894)

Shivy Bhasin
Vice-Chairman
(DIN No: 01261843)

New Delhi
May 17, 2019

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Statement of Profit and Loss for the Year ended March 31, 2019

Rupees Million

	Note	**Year ended March 31, 2019**	Year ended March 31, 2018
Income			
Revenue from operations	25	**1,022.89**	989.53
Other income	26	**48.40**	47.49
Total Income		**1,071.29**	1,037.02
Expenses			
Consumption of provisions, wines & others	27	**61.84**	63.98
Excise duty		**-**	0.09
Employee benefits expense	28	**111.18**	112.36
Finance costs	29	**0.32**	0.29
Depreciation and amortisation expense	30	**22.34**	21.78
Other expenses	31	**401.89**	397.48
Total Expenses		**597.57**	595.98
Profit before tax		**473.72**	441.04
Tax Expense	32		
Income Tax		**135.47**	151.36
Deferred Tax		**0.53**	(19.39)
Profit for the year		**337.72**	309.07
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**(0.08)**	(0.04)
Tax relating to this item		**0.02**	0.01
Total other comprehensive income/(loss) for the year, net of tax		**(0.06)**	(0.03)
Total comprehensive income for the year		**337.66**	309.04
Earnings per equity share (in INR) - Face Value INR 10	43		
(1) Basic		**16.35**	14.97
(2) Diluted		**16.35**	14.97

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 Number 117366W/W - 100018)

For and on behalf of the Board

Alka Chadha
Partner
(Membership No. 93474)

P.R.S. Oberoi
Chairman
(DIN No: 00051894)

Shivy Bhasin
Vice-Chairman
(DIN No: 01261843)

New Delhi
May 17, 2019

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Statement of Cash Flows for the Year ended March 31, 2019

	Year ended March 31, 2019	Rupees Million Year ended March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**473.72**	441.04
Adjustments for		
Depreciation and amortisation expense	**22.34**	21.78
Allowance for doubtful trade receivables	**0.21**	-
Loss on sale / discard of property, plant and equipment (Net)	**2.72**	0.20
Bad debts written off	**0.06**	-
Dividend income from financial asset measured at fair value	**(19.96)**	(14.80)
Interest income on financials assets carried at amortised cost	**(6.45)**	(2.34)
Provisions and liabilities no longer required, written back	**(0.22)**	(9.87)
Finance costs	**0.32**	0.29
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**(17.59)**	(23.02)
(Increase)/decrease in inventories	**(6.57)**	1.39
Increase/(decrease) in trade payables	**10.78**	29.47
(Increase)/decrease in other financial assets	**(3.51)**	(0.62)
(Increase)/decrease in other non-current assets	**(14.86)**	(2.48)
(Increase)/decrease in other current assets	**12.03**	(6.63)
Increase/(decrease) in provisions	**0.05**	(0.09)
Increase/(decrease) in other financial liabilities	**0.34**	(0.18)
Increase/(decrease) in other non-current liabilities	**(0.01)**	0.06
Increase/(decrease) in other current liabilities	**(3.32)**	2.17
Cash generated from operations	**450.08**	436.37
Income taxes paid (net of refund)	**(137.82)**	(150.46)
Net cash inflow from operating activities	**312.26**	285.91
Cash flows from investing activities		
Payments for property, plant and equipment	**(45.25)**	(10.50)
Proceeds from sale of property, plant and equipment	**0.73**	0.53
Dividend income from financial asset measured at fair value	**-**	1.06
Investment in mutual funds	**40.20**	(258.01)
Other bank balances - deposits matured/(placed)	**(147.61)**	2.47
Interest received	**6.42**	2.21
Net cash outflow from investing activities	**(145.51)**	(262.24)

Statement of Cash Flow *(Contd...)*

	Year ended March 31, 2019	Year ended March 31, 2018
		Rupees Million
Cash flows from financing activities		
Proceeds from borrowings	**-**	1.64
Repayment of borrowings	**(0.38)**	(0.92)
Interest paid	**(0.32)**	(0.29)
Dividends paid	**(154.88)**	-
Dividend distribution tax	**(31.84)**	-
Net cash inflow/(outflow) from financing activities	**(187.42)**	0.43
Net increase/(decrease) in cash and cash equivalents	**(20.67)**	24.10
Cash and cash equivalents at the beginning of the year	**56.34**	32.24
Cash and cash equivalents at the end of the year	**35.67**	56.34

Notes

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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration Number 117366W/W - 100018)

Alka Chadha
Partner
(Membership No. 93474)

New Delhi
May 17, 2019

For and on behalf of the Board

P.R.S. Oberoi
Chairman
(DIN No: 00051894)

Shivy Bhasin
Vice-Chairman
(DIN No: 01261843)

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Statement of changes in Equity for the year ended March 31, 2019

Rupees Million

A. Equity share capital

Balance as at April 1, 2017	**206.50**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**206.50**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**206.50**

B. Other equity

	Reserves and surplus			Total
	Securities Premium Reserve	**General Reserve**	**Retained Earnings (Surplus)**	
Balance at April 1, 2017	293.50	85.50	317.16	696.16
Profit for the year	-	-	309.07	309.07
Other Comprehensive Income/(Loss) for the year, net of tax	-	-	(0.03)	(0.03)
Total comprehensive income for the year	**-**	**-**	**309.04**	**309.04**
Balance as at March 31, 2018	**293.50**	**85.50**	**626.20**	**1,005.20**
Balance at April 1, 2018	**293.50**	**85.50**	**626.20**	**1,005.20**
Profit for the year	-	-	337.72	337.72
Other Comprehensive Income/(Loss) for the year, net of tax	-	-	(0.06)	(0.06)
Total comprehensive income for the year	**-**	**-**	**337.66**	**337.66**
Allocations/Appropriations:				
Interim dividend paid for the year 2017-18	-	-	(154.88)	(154.88)
Dividend distribution tax	-	-	(31.84)	(31.84)
Balance as at March 31, 2019	**293.50**	**85.50**	**777.14**	**1,156.14**

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 Number 117366W/W - 100018)

For and on behalf of the Board

Alka Chadha
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New Delhi
May 17, 2019

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Significant Accounting Policies and Notes to 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 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.

Significant Accounting Policies and Notes to Financial Statements - *Contd.*

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.

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.

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

As a lessee
Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Assets under finance leases are capitalised at the lease’s inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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.

Significant Accounting Policies and Notes to Financial Statements - *Contd.*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

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 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 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.

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.

Significant Accounting Policies and Notes to Financial Statements - *Contd.*

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 Section133 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 56 years with effect from 31 March 2019 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.

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.

Significant Accounting Policies and Notes to Financial Statements - *Contd.*

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
NEW STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases, and related interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual reporting periods beginning on or after April 1, 2019.The Company proposes to use the Modified Retrospective Approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Company will be using certain practical expedients that are available.

Currently, the operating lease expenses are charged to the Statement of Profit and Loss.

The Company is evaluating its effect on the financial statements.

Notes to Financial Statements – *Contd.*

Ind AS 12, Income Taxes:

On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment in its financial statements.

On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while determining the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company proposes to retrospectively adjust the cumulative effect of application of Appendix C in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment in its financial statements.

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 31.03.2019, the balance useful life of the hotel building of the Company was 56 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 Financial Statements – *Contd.*

4(i)
PROPERTY, PLANT AND EQUIPMENT

Rupees Million

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2018
	Balance as at April 1, 2017	Additions during the year	Sales / adjustment during the year	Balance as at March 31, 2018	Balance as at April 1, 2017	For the Year	Less: Sales/ Adjust-ments	As at March 31, 2018	
Freehold land	57.05	-	-	57.05	-	-	-	-	57.05
Buildings	547.82	-	-	547.82	17.53	8.76	-	26.29	521.53
Plant and equipment	101.20	7.40	0.29	108.31	18.93	7.90	0.05	26.78	81.53
Furniture and fittings	2.38	0.15	-	2.53	0.71	0.34	-	1.05	1.48
Vehicles									
– Operating lease	20.27	-	-	20.27	6.81	3.76	-	10.57	9.70
– Others	2.25	-	-	2.25	1.08	0.17	-	1.25	1.00
Leased vehicles (Refer note below)	1.51	1.64	1.51	1.64	0.68	0.71	1.02	0.37	1.27
Office equipment	0.08	-	-	0.08	0.03	0.01	-	0.04	0.04
Total	**732.56**	**9.19**	**1.80**	**739.95**	**45.77**	**21.65**	**1.07**	**66.35**	**673.60**

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2019
	Balance as at April 1, 2018	Additions during the year	Sales / adjustment during the year	Balance as at March 31, 2019	Balance as at April 1, 2018	For the Year	Less: Sales/ Adjust-ments	As at March 31, 2019	
Freehold Land	57.05	-	-	57.05	-	-	-	-	57.05
Buildings	547.82	12.09	3.34	556.57	26.29	8.82	0.20	34.91	521.66
Plant and equipment	108.31	14.60	0.65	122.26	26.78	8.58	0.36	35.00	87.26
Furniture and fittings	2.53	1.95	0.02	4.46	1.05	0.40	-	1.45	3.01
Vehicles									
– Operating lease	20.27	-	-	20.27	10.57	3.52	-	14.09	6.18
– Others	2.25	0.94	-	3.19	1.25	0.39	-	1.64	1.55
Leased vehicles (Refer note below)	1.64	-	-	1.64	0.37	0.41	-	0.78	0.86
Office equipment	0.08	0.12	-	0.20	0.04	0.01	-	0.05	0.15
Total	**739.95**	**29.70**	**4.01**	**765.64**	**66.35**	**22.13**	**0.56**	**87.92**	**677.72**

Leased vehicles

The lease term in respect of vehicles acquired under finance leases generally expire within three to five years. Under the terms of the leases, at the expiry of the lease term, the vehicle is transferred to the name of the Company without any consideration by the lessor (Refer note 18).

Notes to Financial Statements – *Contd.*

4 (ii)
CONTRACTUAL OBLIGATIONS

Refer to Note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5
INTANGIBLE ASSETS

Rupees Million

	Gross carrying amount				Accumulated Amortisation				Carrying value as at March 31, 2018
	Balance as at April 1, 2017	Additions during the year	Sales / adjustment during the year	Balance as at March 31, 2018	Balance as at April 1, 2017	For the year	Less: Sales/ Adjustments	As at March 31, 2018	
Computer software	0.65	-	-	0.65	0.25	0.13	-	0.38	0.27
Total	**0.65**	**-**	**-**	**0.65**	**0.25**	**0.13**	**-**	**0.38**	**0.27**

	Gross carrying amount				Accumulated Amortisation				Carrying value as at March 31, 2019
	Balance as at April 1, 2018	Additions during the year	Sales / adjustment during the year	Balance as at March 31, 2019	Balance as at April 1, 2018	For the year	Less: Sales/ Adjustments	As at March 31, 2019	
Computer software	0.65	1.54	-	2.19	0.38	0.21	-	0.59	1.60
Total	**0.65**	**1.54**	**-**	**2.19**	**0.38**	**0.21**	**-**	**0.59**	**1.60**

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

Notes to Financial Statements – *Contd.*

	As at March 31, 2019	As at March 31, 2018
		Rupees Million
6		
NON-CURRENT FINANCIAL ASSETS		
Land compensation claim recoverable *	**5.19**	5.19
Security deposits	**5.42**	1.80
Total non-current financial assets	**10.61**	6.99

* 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)		
Opening balance	**40.29**	41.19
Less: Tax payable for the year	**(135.62)**	(149.71)
Add: Taxes paid (net of refund)	**137.82**	150.46
Add/(Less): Adjustment for earlier years	**0.15**	(1.65)
Total tax assets	**42.64**	40.29

8		
OTHER NON-CURRENT ASSETS		
Capital advances	**13.01**	0.66
Prepaid expenses	**0.01**	0.13
Services exports incentive	**14.97**	-
Other advances	**2.66**	2.65
Total other non-current assets	**30.65**	3.44

9		
INVENTORIES *		
Provision, wines & others	**11.57**	11.59
Stores & operating supplies	**25.73**	19.14
Total inventories	**37.30**	30.73

* 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 Rs. 61.84 million (for the year ended March 31, 2018 : Rs. 63.98 million).

10		
INVESTMENTS		
Investment in Mutual funds (Quoted)		
2,500,168.776 (2018 - 1,615,374.497) units of Aditya Birla Sun Life Liquid Fund - Daily Dividend - Direct Plan	**250.62**	161.98
Nil (2018 - 906,303.189) units of Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Daily Dividend - Direct Plan	**-**	90.77
26,618.248 (2018 - 25,360.829) units of Reliance Liquid Fund - Daily Dividend Reinvestment	**40.71**	38.79
124,670.735 (2018 - 75,084.172) units of Reliance Liquid Fund - Direct Daily Dividend Reinvestment	**190.66**	114.85
Nil (2018 - 85,973.358) units of Reliance Liquid Fund - Cash Plan - Direct Daily Dividend Reinvestment	**-**	95.84
Total investments	**481.99**	502.23

Notes to Financial Statements – *Contd.*

	As at March 31, 2019	Rupees Million As at March 31, 2018
11		
TRADE RECEIVABLES *		
Unsecured		
(a) Considered Good		
Receivables other than related parties	**132.18**	113.93
Receivables from related parties	**0.25**	1.18
	132.43	115.11
(b) Considered doubtful	**1.18**	14.23
Receivables other than related parties	**0.21**	-
Less: Allowance for doubtful trade receivables	**(0.21)**	-
Total trade receivables	**132.43**	115.11
* Read with note 34		
12		
CASH AND CASH EQUIVALENTS		
Balances with banks		
- Current accounts	**14.88**	52.41
Cash in hand	**0.83**	0.87
Cheques in hand	**0.88**	0.83
Fixed deposits with original maturity of less than three months	**19.08**	2.23
Total cash and cash equivalents	**35.67**	56.34
13		
OTHER BANK BALANCES		
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date	**154.96**	7.35
Total other bank balances	**154.96**	7.35
14		
OTHER CURRENT FINANCIAL ASSETS		
Interest accrued on deposits	**0.16**	0.13
Security deposits	**0.67**	0.66
Other receivables	**-**	0.12
Total other current financial assets	**0.83**	0.91
15		
OTHER CURRENT ASSETS		
Prepaid expenses	**6.89**	6.11
Services export incentive	**22.18**	32.14
Other advances	**1.23**	4.08
Total other current assets	**30.30**	42.33

Notes to Financial Statements – *Contd.*

	As at March 31, 2019	As at March 31, 2018
		Rupees Million
16		
EQUITY SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of INR 10 each (2018 - 25,000,000)	**250.00**	250.00
	250.00	250.00
Issued, Subscribed & Fully Paid		
20,650,000 Equity Shares of INR 10 each (2018 - 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) Rupees Million
As at April 1, 2017	**20,650,000**	**206.50**
Change during the year	-	-
As at March 31, 2018	**20,650,000**	**206.50**
Change during the year	-	-
As at March 31, 2019	**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 INR 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, 2019		As at March 31, 2018	
	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 March 31, 2019	As at March 31, 2018
	Number of Shares	
EIH Limited	**12,390,000**	12,390,000

Notes to Financial Statements – *Contd.*

		Rupees Million
	As at March 31, 2019	As at March 31, 2018
17		
OTHER EQUITY		
Reserve and surplus		
Securities premium	**293.50**	293.50
General reserve	**85.50**	85.50
Retained Earnings (Surplus)	**777.14**	626.20
Total other equity	**1,156.14**	1,005.20
(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	**626.20**	317.16
Add: Profit during the year as per Statement of Profit and Loss	**337.72**	309.07
Less: Final dividend	**(154.88)**	-
Dividend distribution tax	**(31.84)**	-
Other comprehensive income recognised directly in retained earnings - Remeasurements of post-employment benefit obligation, net of tax	**(0.06)**	(0.03)
Closing balance	**777.14**	626.20

Nature and purpose of reserves

Securities premium reserve

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

18		
NON-CURRENT BORROWINGS		
Secured		
Maturities of finance lease obligations - Vehicles *	**0.53**	0.96
Total	**0.53**	0.96

* The Finance lease obligations are secured by hypothecation of vehicles taken under lease. Repayments are done by equated monthly installment over 36 to 60 months. Maturity date is from 1-4 years; Terms of repayment is monthly and rate of interest is 12.50% p.a.

19		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Security deposits	**0.14**	0.13
Total other non-current financial liabilities	**0.14**	0.13

Notes to Financial Statements — *Contd.*

20
PROVISIONS

Rupees Million

Employee benefit obligations	**As at March 31, 2019**			**As at March 31, 2018**		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Leave Encashment - Unfunded						
Present value of obligation	0.02	3.39	3.41	0.02	3.36	3.38
Gratuity - Unfunded						
Present value of obligation	0.01	0.87	0.88	0.01	0.77	0.78
Total employee benefit obligations	**0.03**	**4.26**	**4.29**	**0.03**	**4.13**	**4.16**

(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 INR 3.06 Million and March 18 INR 3.05 Million.

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

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

Rupees Million

	Gratuity			**Leave Encashment**
	Present value of obligation	**Fair value of plan assets**	**Net amount**	**Present value of obligation**
April 1, 2017	**0.73**	**-**	**0.73**	**3.48**
Current service cost	0.28	-	0.28	0.63
Interest expense/(income)	0.05	-	0.05	0.22
Total amount recognised in Statement of Profit and Loss	**0.33**	**-**	**0.33**	**0.85**
Remeasurements				
Experience (gains)/losses	(0.13)	-	(0.13)	0.45
(Gain)/loss from change in financial assumptions	(0.06)	-	(0.06)	(0.22)
Total amount recognised in Other Comprehensive Income	**(0.19)**	**-**	**(0.19)**	**0.23**
Employer contributions	-	-	-	-
Benefit payments	(0.09)	-	(0.09)	(1.18)
March 31, 2018	**0.78**	**-**	**0.78**	**3.38**
April 1, 2018	**0.78**	**-**	**0.78**	**3.38**
Current service cost	0.28	-	0.28	0.59
Interest expense/(income)	0.05	-	0.05	0.23
Total amount recognised in Statement of Profit and Loss	**0.33**	**-**	**0.33**	**0.82**
Remeasurements				
Experience (gains)/losses	(0.03)	-	(0.03)	0.09
(Gain)/loss from change in financial assumptions	0.01	-	0.01	0.01
Total amount recognised in Other Comprehensive Income	**(0.02)**	**-**	**(0.02)**	**0.10**
Employer contributions	-	-	-	-
Benefit payments	(0.21)	-	(0.21)	(0.89)
March 31, 2019	**0.88**	**-**	**0.88**	**3.41**

Notes to Financial Statements — *Contd.*

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Discount rate	**7.69%**	7.71%
Salary growth rate	**5.00%**	5.00%
Mortality	**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

(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**			
			Increase by 1%		**Decrease by 1%**	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
Gratuity						
Discount rate	1%	1%	(0.17)	(0.16)	0.23	0.21
Salary growth rate	1%	1%	0.23	0.22	(0.18)	(0.17)
Leave encashment						
Discount rate	1%	1%	(0.46)	(0.54)	0.64	0.67
Salary growth rate	1%	1%	0.65	0.68	(0.47)	(0.56)

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 very 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 actual cost and hence 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 26.08 years (2018 - 26.99 years) and 18.75 years (2018-20.42 years) for Gratuity and Leave encashment respectively.

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

Rupees Million

	Less than a year	**Between 1 - 2 years**	**Between 2 - 5 years**	**6 to 10 years**	**More than 10 years**	**Total**
March 31, 2019						
Gratuity	0.01	0.01	0.02	0.06	6.29	6.39
Leave encashment	0.02	0.03	0.10	0.78	13.66	14.59
Total	**0.03**	**0.04**	**0.12**	**0.84**	**19.95**	**20.98**
March 31, 2018						
Gratuity	0.01	-	0.02	0.06	6.04	6.13
Leave encashment	0.02	0.02	0.09	0.64	15.49	16.26
Total	**0.03**	**0.02**	**0.11**	**0.70**	**21.53**	**22.39**

Notes to Financial Statements — *Contd.*

	As at March 31, 2019	As at March 31, 2018
		Rupees Million
21		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liabilities on account of :		
Property, plant and equipment and intangible assets	**117.20**	116.30
Fair valuation of security deposit liability	**-**	-
Total deferred tax liabilities (A)	**117.20**	116.30
Deferred tax assets on account of :		
Accrued expenses deductible on payment	**1.26**	1.21
Allowance for doubtful trade receivables	**0.06**	-
Other temporary differences	**1.34**	1.06
Total deferred tax assets (B)	**2.66**	2.27
Deferred tax liabilities (Net - A-B)	**114.54**	114.03

Movement in deferred tax liabilities

	Property, plant and equipment and intangible assets	Security deposits liability	Total
As at April 1, 2017	**136.09**	**-**	**136.09**
Charged/(Credited):			-
- to profit and loss	(19.79)	-	(19.79)
As at March 31, 2018	**116.30**	**-**	**116.30**
Charged/(Credited):			-
- to profit and loss	0.90	-	0.90
As at March 31, 2019	**117.20**	**-**	**117.20**

Movement in deferred tax assets

	Accrued expenses deductible on payment	Accrued expenses deductible on payment	Other temporary differences	Total
As at April 1, 2017	**2.66**	**-**	**-**	**2.66**
(Charged)/Credited:				
- to profit and loss	(1.46)	-	1.06	(0.40)
- to other comprehensive income	0.01	-	-	0.01
As at March 31, 2018	**1.21**	**-**	**1.06**	**2.27**
(Charged)/Credited:				
- to profit and loss	0.03	0.06	0.28	0.37
- to other comprehensive income	0.02	-	-	0.02
As at March 31, 2019	**1.26**	**0.06**	**1.34**	**2.66**

Notes to Financial Statements — *Contd.*

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
22		
OTHER NON-CURRENT LIABILITIES		
Advance rent	0.05	0.06
Total other non-current liabilities	**0.05**	**0.06**
23		
OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of finance lease obligations	0.43	0.38
Liability for capital expenditure	1.90	0.43
Security deposits	1.96	1.63
Total current financial liabilities	**4.29**	**2.44**
24		
OTHER CURRENT LIABILITIES		
Advance from customers	18.24	18.03
Statutory and other dues	19.02	22.55
Advance rent	0.01	0.01
Total other current liabilities	**37.27**	**40.59**

Notes to Financial Statements — *Contd.*

	Year ended March 31, 2019	Year ended March 31, 2018
		Rupees Million
25		
REVENUE FROM OPERATIONS		
Rooms	**734.68**	694.69
Food and beverage	**222.80**	232.84
Other services	**65.41**	62.00
Total revenue from operations	**1,022.89**	989.53

	Year ended March 31, 2019	Year ended March 31, 2018
26		
OTHER INCOME		
Interest income on financials assets carried at amortised cost	**6.45**	2.34
Dividend income from financial asset measured at fair value	**19.96**	14.80
Income on account of services exports incentive	**20.08**	16.94
Other gains/(losses) :		
Net foreign exchange gain	**0.03**	0.06
Fair value changes on investments measured at fair value through profit or loss	**-**	0.16
Provisions and liabilities no longer required, written back	**0.22**	9.87
Miscellaneous income	**1.66**	3.32
Total other income	**48.40**	47.49

	Year ended March 31, 2019	Year ended March 31, 2018
27		
CONSUMPTION OF PROVISIONS, WINES & OTHERS		
Opening stock	**11.59**	10.38
Add: Purchases	**61.82**	65.19
	73.41	75.57
Less: Closing stock	**11.57**	11.59
Total consumption of provisions, wines & others	**61.84**	63.98

	Year ended March 31, 2019	Year ended March 31, 2018
28		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**88.50**	89.06
Contribution to provident fund and other funds	**3.06**	3.05
Gratuity	**0.33**	0.33
Staff welfare expenses	**19.29**	19.92
Total employee benefits expense	**111.18**	112.36

	Year ended March 31, 2019	Year ended March 31, 2018
29		
FINANCE COSTS		
Interest expense	**0.32**	0.29
Total finance costs for financial liabilities not recognised through FVTPL	**0.32**	0.29

Notes to Financial Statements — *Contd.*

		Rupees Million
	Year ended March 31, 2019	Year ended March 31, 2018
30		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	**22.13**	21.65
Amortisation of intangible assets	**0.21**	0.13
Total depreciation and amortisation expense	**22.34**	21.78

31		
OTHER EXPENSES		
Power and fuel	**63.32**	60.16
Rent	**5.01**	4.61
Repairs to property, plant and equipment	**43.92**	51.08
Repairs to others	**2.21**	2.34
Insurance	**1.96**	1.78
Rates and taxes	**12.57**	13.66
Expenses on apartment and board	**12.96**	11.74
Hotel operating fees	**63.78**	58.92
Royalty	**10.24**	9.92
Advertisement, publicity and other promotional expenses	**42.89**	38.71
Commission to travel agents and others	**74.15**	71.97
Passage and travelling	**5.05**	4.64
Linen, uniform washing and laundry expenses	**1.34**	1.02
Renewals and replacements	**10.24**	9.44
Auditors' remuneration (Refer Note 31(a))	**1.44**	1.40
CSR expenses (Refer Note 31(b))	**9.34**	9.65
Expenses on contracts for service	**22.42**	28.48
Allowance for doubtful trade receivables	**0.21**	-
Loss on sale / discard of property, plant and equipment (Net)	**2.72**	0.20
Director's sitting fees	**1.24**	1.48
Bad debts written off	**0.06**	-
Miscellaneous expenses	**14.82**	16.28
Total other expenses	**401.89**	397.48
(a) Details of Auditors' remuneration		
As auditor:		
Audit fee	**1.20**	1.20
Tax audit fee	**0.20**	0.20
Reimbursement of expenses	**0.04**	-
Total auditors' remuneration	**1.44**	1.40
(b) Details of CSR Expenditure		
Contribution to the Helpage India	**3.50**	4.40
Contribution to the Kailash Sathyarthi Children Foundation	**5.55**	5.00
Expenses for Swachh Bharat Abhiyan	**0.29**	0.25
Total CSR expenditure	**9.34**	9.65
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	**9.34**	8.50

Notes to Financial Statements — *Contd.*

		Year ended March 31, 2019	Year ended March 31, 2018
			Rupees Million
32			
TAX EXPENSE			
(a)	**Income tax**		
	Tax on profits for the year	**135.62**	149.71
	Adjustments for prior periods	**(0.15)**	1.65
	Total income tax	**135.47**	151.36
(b)	**Deferred tax**		
	(Decrease) / Increase in deferred tax liabilities	**0.90**	(19.79)
	Decrease / (Increase) in deferred tax assets	**(0.39)**	0.39
		0.51	(19.40)
	Add : Recognised in OCI	**0.02**	0.01
	Total deferred tax expense/(benefit)	**0.53**	(19.39)
	Total tax expense	**136.00**	131.97
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit before tax expense	**473.72**	441.04
	Tax at the rate of 29.12% (F.Y. 2017-18 – 34.608%)	**137.95**	152.64
	Tax effect of amounts not deductible in calculating taxable income		
	Corporate social responsibility expenditure	**2.72**	3.34
	Expenses disallowed under the Income Tax Act, 1961	**1.38**	1.24
	Tax effect of amounts not taxable in calculating taxable income		
	Dividend income exempt from tax	**(5.82)**	(5.12)
	Tax expense related to prior periods	**(0.15)**	1.65
	Others (Tax benefit on rental income and gain on fair valuation of investment)	**(0.06)**	(0.21)
	Adjustment relating to Property, plant and equipment:		
	Depreciation on account of difference in WDV as per Companies Act, 2013 and the Income Tax Act, 1961	**(0.02)**	0.26
	Lease finance payment allowed as deduction	**-**	(0.32)
	Increase in liability for increase in tax depreciation	**-**	(0.02)
	Impact of rate change in deferred tax	**-**	(21.49)
		136.00	131.97

Notes to Financial Statements — *Contd.*

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FAIR VALUE MEASUREMENTS

Financial instruments by category

Rupees Million

	As at March 31, 2019		**As at March 31, 2018**	
	FVPL	**Amortised cost**	**FVPL**	**Amortised cost**
Financial assets				
Investments	481.99	-	502.23	-
Trade receivables	-	132.43	-	115.11
Cash and cash equivalents	-	35.67	-	56.34
Other bank balances	-	154.96	-	7.35
Security deposits	-	6.09	-	2.46
Other receivables	-	5.35	-	5.44
Total financial assets	**481.99**	**334.50**	**502.23**	**186.70**
Financial liabilities				
Finance lease obligations	-	0.96	-	1.34
Security deposits	-	2.10	-	1.76
Trade payables	-	117.09	-	106.53
Capital creditors	-	1.90	-	0.43
Total financial liabilities	**-**	**122.05**	**-**	**110.06**

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

	As at March 31, 2019	As at March 31, 2018
	Level 1	Level 1
Financial Investments at FVPL		
Investment in mutual funds (Refer Note 10)	**481.99**	502.23
Total financial assets	**481.99**	502.23

(ii) 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, 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, security deposits 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 Financial Statements — *Contd.*

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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 :

		Rupees Million
Currency	**Receivables**	**Payables**
March 31, 2019		
US Dollar (USD)	-	0.92
Great Britain Pound (GBP)	-	0.53
Net Exposure to foreign currency risk	**-**	**1.45**
March 31, 2018		
US Dollar (USD)		0.91
Great Britain Pound (GBP)	-	0.36
Net Exposure to foreign currency risk	**-**	**1.27**

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:

	Impact on profit	
	March 31, 2019	March 31, 2018
USD sensitivity		
INR/USD Increases by 5% (31 March 2018 - 5%)	**(0.05)**	(0.05)
INR/USD Decreases by 5% (31 March 2018 - 5%)	**0.05**	0.05
GBP sensitivity		
INR/GBP Increases by 5% (31 March 2018 - 5%)	**(0.03)**	(0.02)
INR/GBP Decreases by 5% (31 March 2018 - 5%)	**0.03**	0.02

(ii) Interest rate risk

The status of borrowings in terms of fixed rate and floating rate are as follows:

		Rupees Million
	March 31, 2019	March 31, 2018
Variable rate borrowings	**-**	-
Fixed rate borrowings	**0.96**	1.34
Total borrowings	**0.96**	1.34

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

Notes to Financial Statements — *Contd.*

(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. 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 loss allowance provision - Trade receivables:

	Rupees Million
Loss allowance on April 01, 2017	-
Changes in loss allowance	-
Loss allowance on March 31, 2018	-
Changes in allowance	0.21
Loss allowance on March 31, 2019	0.21

(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:

		Rupees Million
Floating Rate	**March 31, 2019**	March 31, 2018
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 all 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: **Rupees Million**

	Not later than 1 year	**Between 1 and 5 years**	**Later than 5 years**	**Total**
Non-derivatives				
March 31, 2019				
Obligations under finance lease	1.03	0.91	-	1.94
Liability for capital expenditure	1.90	-	-	1.90
Trade payables	117.09	-	-	117.09
Security deposits	1.96	-	0.21	2.17
Total non-derivative liabilities	**121.98**	**0.91**	**0.21**	**123.10**
March 31, 2018				
Obligations under finance lease	0.68	1.55	-	2.23
Capital creditors	0.43	-	-	0.43
Trade payables	106.53	-	-	106.53
Security deposits	1.63	-	0.21	1.84
Total non-derivative liabilities	**109.27**	**1.55**	**0.21**	**111.03**

Notes to Financial Statements — *Contd.*

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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 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.

(b) Dividends

	March 31, 2019	March 31, 2018
Final dividend for the year ended March 31, 2018 of Rs 7.50 (March 31, 2017 – Rs. Nil)	**154.88**	-
Dividend Distribution Tax	**31.84**	-
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend*	**-**	154.88
Dividend Distribution Tax on proposed dividend	**-**	31.84

* The Board of Directors have recommended a final dividend of Rs. ….. per share which is subject to the approval of the shareholders in the ensuing annual general meeting.

Rupees Million

36	**Micro and Small Enterprises**		
	(i) Principal amount remaining unpaid at the end of the year **	**0.18**	0.78
	(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	**-**	Nil
	(v) The amount of the interest accrued and remaining unpaid at the end of the year	**-**	Nil
	(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid for the purpose of disallowance of a deductible expenditure under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
	Total	**0.18**	0.78

** 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.

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

	As at March 31, 2019	As at March 31, 2018
Trade payables to related parties	**55.29**	48.54
Trade payables - others	**61.62**	57.21
Total	**116.91**	105.75

Notes to Financial Statements — *Contd.*

38a
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. T. K. Sibal	Director
Mr. Manish Goyal	Director
Mr. Vikram Oberoi	Director
Mr. Arjun Oberoi	Director
Mr. Rajkumar Kataria	Director
Mr. Sandeep Kumar Barasia	Director
Mr. S. N. Sridhar	Company Secretary
Mr. Biswajit Mitra (upto 18.12.18)	Chief Financial Officer
Mr. Kallol Kundu (w.e.f. 19.12.18)	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 Limited
EIH Holdings Limited
J&W Hong Kong Limited (Dissolved on 25.11.17)
EIH Investments N.V.
EIH Management Services B.V.
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud

(iv) Associate / Joint Venture of Parent Company
EIH Associated Hotels Limited
Mercury Car Rentals Private Limited
Usmart Education Limited (w.e.f. 11.04.17 upto 07.08.18)
Mercury Travels Limited (w.e.f. 11.04.17 upto 07.08.18)
Oberoi Mauritius Limited
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
Regent Tours and Travels Private Limited

Notes to Financial Statements — *Contd.*

38 (b)
Transactions with Related Parties for the year ended March 31, 2019

Rupees 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		Key Management Personnel	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
PURCHASES										
Purchase of goods and services										
EIH Limited	83.33	80.51	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.14	0.03	-	-	-	-
Mashobra Resort Limited	-	-	-	-	-	-	-	-	-	-
PT Widja Putra Karya	-	-	-	0.05	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	5.73	4.78	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	-	0.10	0.22	-	-	-	-
Island Resorts Limted	-	-	-	-	0.09	-	-	-	-	-
Total	**83.33**	**80.51**	**-**	**0.05**	**6.06**	**5.03**	**-**	**-**	**-**	**-**
Management Contract										
EIH Limited	99.42	92.73	-	-	-	-	-	-	-	-
Total	**99.42**	**92.73**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Royalty										
Oberoi Hotels Private Limited	-	-	-	-	-	-	12.08	11.67	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**12.08**	**11.67**	**-**	**-**
Director's sitting fees										
Mr. P. R. S. Oberoi	-	-	-	-	-	-	-	-	0.16	0.12
Mr. Shivy Bhasin	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Bharath Bhushan Goyal	-	-	-	-	-	-	-	-	0.08	0.12
Mr. T. K. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Manish Goyal	-	-	-	-	-	-	-	-	0.24	0.24
Mr. Vikram Oberoi	-	-	-	-	-	-	-	-	0.12	0.20
Mr. Arjun Oberoi	-	-	-	-	-	-	-	-	0.12	0.12
Mr. Raj Kataria	-	-	-	-	-	-	-	-	0.12	0.16
Mr. Sandeep Kumar Barasia	-	-	-	-	-	-	-	-	0.08	0.20
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.24**	**1.48**
SALES										
Sale of goods and services										
EIH Limited	0.92	0.44	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	4.28	0.29	-	-	-	-
Mashobra Resort Limited	-	-	0.07	0.01	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	-	0.45	0.86	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.05	-	-
Total	**0.92**	**0.44**	**0.07**	**0.01**	**4.73**	**1.15**	**-**	**0.05**	**-**	**-**

Notes to Financial Statements — *Contd.*

Rupees 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		Key Management Personnel	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
INCOME										
License agreement										
EIH Associated Hotels Limited	-	-	-	-	1.46	1.46	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1.46**	**1.46**	**-**	**-**	**-**	**-**
FINANCE										
PAYMENTS										
Dividend on equity shares										
EIH Limited	-	-	-	-	-	-	-	-	92.93	-
Mr. Shivy Bhasin	-	-	-	-	-	-	-	-	11.70	-
Mr. Manish Goyal	-	-	-	-	-	-	-	-	6.14	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**110.77**	**-**
Refund of collections to related party										
EIH Limited	2.03	0.76	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.62	0.52	-	-	-	-
Total	**2.03**	**0.76**	**-**	**-**	**0.62**	**0.52**	**-**	**-**	**-**	**-**
Expense reimbursed to related party										
EIH Limited	3.79	2.62	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.56	0.03	-	-	-	-
Mashobra Resort Limited	-	-	0.01	-	-	-	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	0.14	0.20	-	-
Total	**3.79**	**2.62**	**0.01**	**-**	**0.56**	**0.03**	**0.14**	**0.20**	**-**	**-**
RECEIPTS										
Recovery of collections by related party										
EIH Limited	2.35	3.42	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	1.37	1.09	-	-	-	-
Mashobra Resort Limited	-	-	0.32	0.04	-	-	-	-	-	-
Total	**2.35**	**3.42**	**0.32**	**0.04**	**1.37**	**1.09**	**-**	**-**	**-**	**-**
Expense reimbursed by related party										
EIH Limited	0.23	0.67	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	2.30	0.02	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.03	0.07				
Mashobra Resort Limited	-	-	-	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-
Total	**0.23**	**0.67**	**-**	**-**	**2.33**	**0.09**	**-**	**-**	**-**	**-**

Notes to Financial Statements — *Contd.*

38 (c)

The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows :

Rupees Million

Outsatnding Balances	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		Key Management Personnel	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
PAYABLES										
For goods, services and management Contract										
EIH Limited	49.88	43.33	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.07	0.38	-	-	-	-
Mashobra Resort Limited	-	-	-	-	-	-	-	-	-	-
PT Widja Putra Karya	-	-	-	0.05	-	-	-			
Mercury Travels Limited	-	-	-	-	-	0.02	-			
Mercury Car Rentals Private Limited	-	-	-	-	1.09	0.74	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	0.04	-	-	-
Total	**49.88**	**43.33**	**-**	**0.05**	**1.16**	**1.14**	**0.04**	**-**	**-**	**-**
Royalty										
Oberoi Hotels Private Limited	-	-	-	-	-	-	4.09	4.02	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**4.09**	**4.02**	**-**	**-**
RECEIVABLES										
For goods and services										
EIH Limited	0.09	0.49	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.15	0.30	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	0.39	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	-	-	-
Total	**0.09**	**0.49**	**-**	**-**	**0.15**	**0.69**	**0.01**	**-**	**-**	**-**

39. The Company had contingent liabilities at March 31, 2019 in respect of:

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

		Rupees Million
	March 31, 2019	March 31, 2018
i. Stamp Duty	**10.23**	10.23
ii. Sales Tax	**0.19**	0.19
iii. Expenditure tax	**0.10**	0.10
iv. Income-tax	**19.30**	18.68
v. Service-tax	**1.00**	-

The matters listed above are in the nature of statutory dues, namely, Stamp Duty, Sales Tax, Expenditure Tax, Income Tax and Service 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. Such outcome or probability thereof can neither be foreseen nor estimated at the current date, although, based on currently available information, the management is of the view that the outcomes of the above matters are unlikely to have any material adverse impact on the company's financial position.

40. Commitments

		Rupees Million
	March 31, 2019	March 31, 2018
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)	**85.74**	3.86

Notes to Financial Statements — *Contd.*

41. Leases

(i) Finance Lease

The Company acquired motor vehicles under finance lease. Generally, tenure of finance lease of vehicles varies between 3 to 5 years. After completion of the lease term, vehicles are transferred in the name of the Company.

The year wise break up of the outstanding lease obligations as on 31st March, 2019 in respect of these assets are as under :-

		Rupees Million
	March 31, 2019	March 31, 2018
Assets taken on lease		
Not later than one year		
Minimum Lease Payments	**1.03**	0.68
Present value	**0.43**	0.38
Later than one year but not later than five years		
Minimum Lease Payments	**0.91**	1.55
Present Value	**0.53**	0.96
Later than five years		
Minimum Lease Payments	**Nil**	Nil
Present Value	**Nil**	Nil
Total Minimum Lease Payments at the year end	**1.94**	2.23
Less: Future finance charges	**0.98**	0.89
Present value of Minimum Lease Payments	**0.96**	1.34

(ii) Assets on Operating Lease - Lessee

The Company has entered into operating lease arrangements primarily for hiring residential premises for its employees. These leases are cancellable in nature and may generally be terminated by either party by serving a notice. The lease agreements are generally renewable by mutual consent on mutually agreeable terms.

(iii) 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.

42 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.

43 Earnings per equity share

		Rupees
	March 31, 2019	March 31, 2018
(a) Basic earnings per share	**16.35**	14.97
(b) Diluted earnings per share	**16.35**	14.97

		Rupees Million
(c) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	**337.72**	309.07
Profit attributable to the equity holders of the Company used in calculating basic and diluted earnings per share:	**337.72**	309.07

Notes to Financial Statements — *Contd.*

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

	March 31, 2019	March 31, 2018
	Number of shares	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

44 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

Rupees million

	As at March 31, 2018	Cash Flows	Non-cash Changes	**As at March 31, 2019**
Non-current borrowings (including current maturities of finance lease obligations)	1.34	(0.38)	-	**0.96**
Current borrowings	-	-	-	**-**
Total	1.34	(0.38)	-	**0.96**

45 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).

Advance from customers

Advance from customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 24).

Rupees Million

Particulars	**As at March 31, 2019**	As at March 31, 2018
As at the beginning of the year	**18.03**	23.26
Recognised as revenue during the year	**17.08**	22.73
As at the end of the year	**18.24**	18.03

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

47 The financial statements were approved for issue by the Board of Directors on 17th May, 2019.

For and on behalf of the Board

P.R.S. Oberoi
Chairman
(DIN No: 00051894)

Shivy Bhasin
Vice-Chairman
(DIN No: 01261843)

New Delhi
May 17, 2019

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

MASHOBRA RESORT LIMITED

BOARD OF DIRECTORS

Mr. Vineet Chawdhry, *Chairperson*	*upto 06.01.2019*
Mr. Brij Kumar Agarwal, *Chairperson*	*w.e.f. 07.01.2019*
Dr. Shrikant Baldi	*upto 23.07.2018*
Mrs. Manisha Nanda	*upto 23.07.2018*
Mr. Ram Subhag Singh	*w.e.f 24.07.2018*
Mr. Anil Kumar Khachi	*w.e.f 24.07.2018*

Mr. Arjun Singh Oberoi, *Managing Director*
Mr. Vikramjit Singh Oberoi
Mr. T.K. Sibal
Mr. S.N. Sridhar, *Director & Secretary*
Mr. Viresh S. Mathur, *Independent Director*
Mr. Shashank Bhagat, *Independent Director*

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 Fourth Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2019.

Financial Highlights

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

Particulars	**₹ in Million**	
	2018-19	2017-18
Total Revenue	**497.04**	506.73
Operating Profit before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	**256.26**	267.90
Interest	**1.40**	1.10
Depreciation and Amortization Expenses	**11.77**	11.49
Profit /(Loss) before Tax	**243.09**	255.31
Tax including Deferred Tax	**72.30**	75.32
Profit/ (Loss) after Tax	**170.79**	179.99
Other Comprehensive Income/(Loss), net of tax	**(0.33)**	0.61
Total Comprehensive Income	**170.46**	180.60
Profit/(Loss) Brought Forward from earlier year	**(46.64)**	(227.24)
Profit/(Loss) Carried Over	**123.82**	(46.64)

Performance
During the Financial Year under review, the Total Revenue was ₹ 497.04 Million as compared to ₹ 506.73 Million in the previous year. The Profit for the year before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was ₹ 256.26 Million as compared to ₹ 267.90 Million in the previous year. The Profit after tax was ₹ 170.79 Million as compared to ₹ 179.99 Million in the previous year, a decrease of 5.11%. Total Comprehensive Income was ₹ 170.46 Million as compared to ₹ 180.60 Million in the previous year, a decrease of 5.61.%.

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

Mr Anil Kumar Khachi (DIN: 00122260) and Mr. Ram Subagh Singh (DIN: 02659274) were appointed by the Board at the Board meeting held on 24th July 2018 in the casual vacancies caused due to the vacation of office by Dr. Shrikant Baldi and Smt. Manisha Nanda respectively. Subsequently, the Shareholders at their meeting held on 17th August 2018, appointed them as regular directors, liable to retire by rotation.

Mr Brij Kumar Agarwal (DIN: 08267677) was appointed by the Board at the Board Meeting held on 7th January 2019 in the casual vacancy caused due to the vacation of office by Mr. Vineet Chawdhry.

In accordance with Section 161(4) of the Act, the appointment of Mr. Brij Kumar Agarwal in the causal vacancy is required to be approved by the Shareholders at the next Annual General Meeting of the Company. Notice under Section 160 of the Act has been received from a Shareholder proposing the appointment of Mr. B.K Agarwal as regular director on the Board, liable to retire by rotation. Mr. B.K Agarwal will hold office as Director up to the date up to which Mr. Vineet Chawdhry would have held, had he not vacated his office as a Director.

The Directors recommend to the Shareholders appointment of Mr. B.K Agarwal as a regular Director on the Board.

The present term of appointment of Mr Arjun Singh Oberoi (DIN: 00052106) as the Managing Director of the Company expired on 23rd April 2019. At the Board meeting held on 10th May 2019, the Board re-appointed Mr. Arjun Singh Oberoi as the Managing Director of the Company for a fresh term of five (5) years with effect from 24th April 2019, subject to the approval of the shareholders. Mr Arjun Singh Oberoi will not receive any remuneration as Managing Director of the Company.

The Board recommend to the shareholders re-appointment of Mr. Arjun Singh Oberoi as Managing Director of the Company without receiving any remuneration.

Mr. S.N. Sridhar and Mr. Anil Kumar Khachi 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. S.N. Sridhar and Mr. Anil Kumar Khachi.

Key Managerial Personnel

Mr. Kallol Kundu was appointed as the Chief Financial Officer of the Company, in place of Mr. Biswajit Mitra at the Board Meeting held on 7th January 2019. Mr. Biswajit Mitra ceased to be the Chief Financial Officer of the Company with effect from 7th January 2019.

Board Meeting

During the year, the Company held four Board Meetings on 14th May 2018, 10th September 2018, 7th January 2019 and 30th March 2019 respectively. The Attendance of the Directors in the meeting is as under:

Name of the Director	No. of Meetings attended
Mr. Arjun Oberoi	4(1)
Mr. S.N. Sridhar	4
Mr. Vikram Oberoi	4(2)
Mr. T.K. Sibal	4
Mr. Viresh S. Mathur	4(1)
Dr. Shrikant Baldi*	1
Mr. Shashank Bhagat	(4)
Mr. Vineet Chawdhry**	2
Smt. Manisha Nanda*	0
Mr. Anil Kumar Khachi#	1
Mr. Ram Subhag Singh #	2
Mr. Brij Kumar Agarwal##	2

* ceased to be a Director w.e.f 24.07.2018

** ceased to be a Director w.e.f 07.01.2019

\# appointed as a Director w.e.f 24.07.2018

\## appointed as a Director w.e.f 07.01.2019

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

Audit Committee/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 and Companies (Corporate Social Responsibility Policy) Rules 2014, Company had formulated a CSR Policy in the Financial Year 2014-15. The Policy can be accessed on the holding Company, EIH Limited website.

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2018-19 is given in **Annexure-I**, which forms a part of this report. The Annexure also gives the Composition of the Committee.

CSR Committee met once during the year on 10th September 2018. The Attendance of the members of the Committee is as under:

Name of the Member	No. of Meetings Attended
Mr. Vikram Oberoi	1
Mr. Arjun Oberoi	1
Mr. Shashank Bhagat	(1)
Mr. Vineet Chawdhry*	1
Mr. Brij Kumar Agarwal#	0

* ceased to be a member w.e.f 07.01.2019
# appointed as member w.e.f 07.01.2019
() The number in bracket represents meeting attended through video conference out of the total number of meetings attended.

Directors' Appointment and Remuneration and 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 2018-19 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. At the group level, a comprehensive Risk Management policy, procedure and risk committee is in place which is being followed by the Company's hotel, Wildflower Hall and the Company as a whole. The risk, if any on the Company and the Company's hotel is monitored periodically and reported to the Board.

Energy Conservation Measures

Energy conservation measures taken during current year include replacement of incandescent lamps with LED lamps, retrofitting the hot water system for remote locations with tank less heaters thereby saving HSD in boilers and replacement of chilled water pumps with energy efficient pumps.

Tight operational control and optimizing running hours of equipment has resulted in savings. Some of the actions planned for next year are replacement of CFL lamps with LED lamps, installation of more number of retrofit hot water system for remote locations with tank less heaters and conduct an energy audit.

Foreign Exchange Earnings and outgo

Foreign exchange earnings during the year amounted to ₹ 65.67 Million as compared to ₹ 77.92 Million in the previous year. The outflow of foreign exchange during the year was ₹ 13.23 Million as compared to ₹ 11.51 Million in the previous year.

Secretarial Standards

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

Auditor's Report

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

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 were 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.

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 Workplace (Prevention, Prohibition. and Redressal) Act, 2013.

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 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 36 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.

Extract of Annual Return

Extract of Annual return in Form MGT-9 is annexed. ***Annexure –II***

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, Internal Audit, Vigil Mechanism

The Company does not qualify for the requirement for appointment of a Secretarial Auditor and Internal Auditor under the relevant provisions of the Act. The Company 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 Oberoi, Managing Director, Mr. Biswajit Mitra, Chief Financial Officer (up to 6.1.2019) and Mr. Kallol Kundu (w.e.f 7.1.2019), 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. Total sitting fee paid during the Financial Year 2018-19 was Rs. 1.44 Million.

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 6th)	Trip Advisor Travellers' Choice Awards 2019

Acknowledgement

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

Place: Shimla	**Arjun Oberoi**	**T.K. Sibal**
Date: 10th May 2019	***Managing Director***	***Director***

Annexure- I

Format for the Annual Report on CSR Activities to be included in the Board Report

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and projects and programs.**

   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.

   The Board of Directors at the Board meeting held on 10th September 2018, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 5.03 Million This amount included 2% of average net profit of the Company in the last three Financial Years and carry forward of CSR spend of ₹ 0.3 Million This was spent on the following activities:

   a) Skill Development through vocational training of student at the School for Hearing and Visually Impaired, Dhalli
   b) Repair and Maintenance work at the School for Hearing and Visually Impaired, Dhalli; and
   c) Swachh Bharat Abhiyan

   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**

Mr. Arjun Singh Oberoi	- Chairperson;
Mr. Vikramjit Singh Oberoi	- Member;
Mr. Shashank Bhagat	- Member
Mr. B.K Agarwal	- Member

3. **Average Net Profit of the Company for the last three Financial Years**

   ₹ 236.64 Million

4. **Prescribed CSR Expenditure (two percent of the amount as in Item 3 above).**

   ₹ 4.73 Million

5. **Details of CSR spent during the Financial Year**

   a) Total Amount to be spent for the Financial Year : ₹ 5.03 Million

   b) Amount unspent, if any : Nil

c) Manner in which the amount spent during the Financial Year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise (₹ in Million)**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads : (₹ in Million)**	**Cumulative expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
1.	Promoting education by setting up & repairing School for the Hearing and Visually impaired	Rural	Sill Development (vocational training) at the school of Hearing & visually impaired, Dhalli	1.85	1.82	1.82	Direct
2.	Promoting education by setting up vocational training centre in the School for the Hearing and visually impaired	Rural	Repair, Maintenance and construction work at the School for Healing and Visually Impaired, Dhalli	2.22	2.38	2.38	Direct
3.	Swachh Bharat Abhiyan	Rural	NH-22 near Chharabra Market, Shimla, Himachal Pradesh	0.96	0.83	0.83	Direct
			TOTAL	**5.03**	**5.03**	**5.03**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report.

   The Company has fully spent the CSR amount of ₹ 5.03 Million in the Financial Year which includes the carry forward amount from previous year of ₹ 0.3 Million.

7. The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR Objectives and Policy of the Company.

Arjun Singh Oberoi
Managing Director

Arjun Singh Oberoi
Chairperson - CSR Committee

Annexure-II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As at Financial Year ended on 31st March 2019

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

	CIN	U55101HP1995PLC017440
	Registration Date	13/12/1995
	Name of the Company	Mashobra Resort Limited
	Category/Sub-category of the Company	Company Limited By Shares/ Indian Non-Government Company
	Address of the Registered office & contact details	Hotel Wildflower Hall Chharabra, Shimla -171012 Himachal Pradesh, India Phone: 01772648585 Fax: 01772648686
	Whether listed company	No
	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hotel Service	9963/99631110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable Section
1	EIH Limited, 4, Mangoe Lane, Kolkata- 700001	L55101WB1949PLC017981	Holding	78.79%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	7,000,000	7,000,000	21.21	-	70,00,000	7,000,000	21.21	-
d) Bodies Corp.	-	26,000,000	26,000,000	78.79	-	26,000,000	26,000,000	78.79	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**-**	**33,000,000**	**33,000,000**	**100.00**	**-**	**33,000,000**	**33,000,000**	**100.00**	**-**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-

(i) Category-wise Share Holding – *Contd...*

Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**-**	**33,000,000**	**33,000,000**	**100.00**	**-**	**33,000,000**	**33,000,000**	**100.00**	**-**

(ii) Shareholding of Promoters

S.No	Name of Shareholder	Shareholding at the beginning of the year			Shareholding At the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Government of Himachal Pradesh	7,000,000	21.21	-	7,000,000	21.21	-	-
2	EIH Limited	25,999,995	78.79	-	25,999,995	78.79	-	-
3	Oberoi Hotels Private Ltd	1	-	-	1	-	-	-
4	Oberoi Holdings Private Ltd	1	-	-	1	-	-	-
5	Oberoi Properties Private Ltd	1	-	-	1	-	-	-
6	Oberoi Investments Private Ltd	1	-	-	1	-	-	-
7	Oberoi Plaza Private Ltd	1	-	-	1	-	-	-
	Total	**33,000,000**	**100.00**	**-**	**33,000,000**	**100.00**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	33,000,000	100.00	33,000,000	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year	33,000,000	100.00	33,000,000	100.00

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel

S.No	Shareholding of each of the Directors and each of the Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year				

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	0.70	5.00	-	5.70
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	**0.70**	**5.00**	**-**	**5.70**
Change in Indebtedness during the Financial Year			-	
• Addition	0.26		-	0.26
• Reduction	(0.26)		-	(0.26)
Net Change	-		-	-
Indebtedness at the end of the Financial Year *				
i) Principal Amount	0.70	5.00	-	5.70
ii) Interest due but not paid			-	
iii) Interest accrued but not due			-	
Total (i+ii+iii)	0.70	5.00	-	5.70

Note:

1. The Finance lease obligations are secured by hypothecation of vehicles taken under lease. Repayment are done by equated monthly instalment over a period of 36 to 60 months.
2. Unsecured Loans are from "Government of Himachal Pradesh" and repayable at the option of the company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (₹ in Million)
		Mr. Arjun Oberoi, MD	
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others- Sitting Fee	0.20	0.20
	Total (A)	**0.20**	**0.20**
	Ceiling as per the Act	10% of the Net Profit	

B. Remuneration to other directors

S. No	Particulars of Remuneration	Name of Directors		Total Amount (₹ in Million)
		Mr. Shashank Bhagat	Mr. Viresh Mathur	
1	Independent Directors			
	Fee for attending board committee meetings	0.20	0.16	0.36
	Commission			
	Others, please specify			
	Total (1)	**0.20**	**0.16**	**0.36**

S. No	Particulars of Remuneration	Mr. Vikram Oberoi	Mr. T.K. Sibal	Mr. S.N. Sridhar	Dr. Shrikant Baldi*	Mr. Vineet Chawdhry*	Ms. Manisha Nanda*	Mr. Anil Kumar Khachi*	Mr. Ram Subhag Singh*	Mr. Brij Kumar Agarwal*	Total
2	Other Non-Executive Directors										
	Fee for attending board committee meetings	0.20	0.16	0.16	0.04	0.12	0.00	0.04	0.08	0.08	0.88
	Commission										
	Others, please specify										
	Total (2)	**0.20**	**0.16**	**0.16**	**0.04**	**0.12**	**0.00**	**0.04**	**0.08**	**0.08**	**0.88**
	Total (B)=(1+2)										**1.24**
	Total Managerial Remuneration										**NIL**
	Overall Ceiling as per the Act	11% of the Net Profit									

Note: Sitting fee does not form part of Managerial Remuneration.

* Sitting fee of the H.P Government nominee Directors have been deposited in the H.P Government treasury.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CS**	**CFO**	**Total**
1	Gross salary	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	**Nil**	**Nil**	**Nil**	**Nil**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board

Place: Shimla
Dated: 10th May, 2019

Arjun Singh Oberoi
Managing Director

T.K. Sibal
Director

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mashobra Resort Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **MASHOBRA RESORT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 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 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, 2019, 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 Ind AS 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS 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 opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 17 of the Ind AS 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 Ind AS financial statements has not been ascertained.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' 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 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 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 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.

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 Ind AS 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 explanations given to us, the Company has not paid / provided remuneration to its directors during the year in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 37, 3(ii) and 17 to the Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 32(B).

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company-Refer Note 44.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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)

Place : Gurugram
Date: 10th May, 2019

"ANNEXURE A" TO THE 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, 2019 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 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, 2019, 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)

Place : Gurugram
Date: 10th May, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us and 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) As explained to us, 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) 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, 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, 2019 for a period of more than six months from the date they became payable.

c. Details of dues of Service Tax and Luxury Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	**Nature of Dues**	**Forum where dispute is pending**	**Period**	**Amount unpaid (Rs. in million)**
Service Tax Laws-Finance Act, 1994	Service tax	Customs, Excise and Service Tax Appellate Tribunal	2004-2005 to 2008-2009	5.16
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 Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on March 31, 2019 on account of any disputes.

(viii) In our opinion and according to the information and explanations given to us, 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 Order 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 etc., 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)

Place : Gurugram
Date: 10th May, 2019

Balance Sheet
as at 31st March, 2019

	Note	As at March 31, 2019	Rupees Million As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**488.14**	483.88
(b) Capital work-in-progress		**3.08**	3.31
(c) Intangible assets	5	**0.56**	0.28
(d) Financial assets			
Other financial assets	6(i)	**5.12**	1.09
(e) Deferred tax assets (net)	7	**45.25**	65.11
(f) Tax Assets (net)	8	**0.43**	-
(g) Other non-current assets	9	**3.64**	1.38
Total non-current assets		**546.22**	555.05
Current assets			
(a) Inventories	10	**19.72**	18.48
(b) Financial assets			
(i) Trade receivables	11	**30.43**	33.48
(ii) Cash and cash equivalents	12	**11.59**	27.87
(iii) Other bank balances	13	**1,238.14**	1,047.03
(iv) Other financial assets	6(ii)	**14.07**	10.28
(c) Other current assets	14	**8.31**	10.94
Total current assets		**1,322.26**	1,148.08
Total Assets		**1,868.48**	1,703.13
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	**330.00**	330.00
(b) Other equity	16	**123.82**	(46.64)
Total Equity		**453.82**	283.36
Advance towards equity	17	**1,361.93**	1,361.93
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Borrowings	18	**5.52**	5.48
(b) Provisions	19	**2.82**	2.19
Total non-current liabilities		**8.34**	7.67
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	34	**-**	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	35	**31.76**	28.40
(ii) Other financial liabilities	20	**0.78**	0.57
(b) Provisions	19	**0.01**	0.01
(c) Current tax liabilities (net)	21	**-**	0.84
(d) Other current liabilities	22	**11.84**	20.34
Total current liabilities		**44.39**	50.17
Total Equity and Liabilities		**1,868.48**	1,703.13

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 Number 117366W/W - 100018)

For and on behalf of the Board

Alka Chadha
Partner
(Membership No. 93474)

ARJUN OBEROI
Managing Director
(DIN No: 00052106)

S.N. SRIDHAR
Company Secretary and Director
(DIN No: 03613123)

Shimla
10th May, 2019

T.K. SIBAL
Director
(DIN No: 00038992)

KALLOL KUNDU
Chief Financial Officer

Statement of Profit and Loss for the Year ended 31st March, 2019

Rupees Million

	Note	**Year Ended 31 March, 2019**	Year Ended 31 March, 2018
Income			
Revenue from operations	23	**421.58**	439.87
Other income	24	**75.46**	66.86
Total Income		**497.04**	506.73
Expenses			
Consumption of provisions, wines & others	25	**29.35**	30.01
Excise duty		**-**	0.09
Employee benefits expense	26	**71.19**	76.11
Finance costs	27	**1.40**	1.10
Depreciation and amortisation expense	28	**11.77**	11.49
Other expenses	29	**140.24**	132.62
Total Expenses		**253.95**	251.42
Profit before tax		**243.09**	255.31
Tax Expense			
Income tax	30	**71.28**	54.97
Deferred tax	30	**1.02**	20.35
Profit for the year		**170.79**	179.99
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**(0.47)**	0.86
Tax relating to this item		**0.14**	(0.25)
Total other comprehensive income/(loss) for the year, net of tax		**(0.33)**	0.61
Total comprehensive income for the year		**170.46**	180.60
Earnings per equity share (in INR) - Face Value INR 10	41		
(1) Basic		**5.18**	5.45
(2) Diluted		**5.18**	5.45

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 Number 117366W/W - 100018)

Alka Chadha
Partner
(Membership No. 93474)

Shimla
10th May, 2019

For and on behalf of the Board

ARJUN 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

Statement of Cash Flows for the Year ended March 31, 2019

	Year Ended 31 March, 2019	Year Ended 31 March, 2018
		Rupees Million
Cash flows from operating activities		
Profit before tax	**243.09**	255.31
Adjustments for		
Depreciation and amortisation expense	**11.77**	11.49
Loss on Sale / Discard of property, plant and equipment (Net)	**0.54**	0.73
Interest income on financials assets carried at amortised cost	**(70.55)**	(61.22)
Provisions and liabilities no longer required, written back	**(0.39)**	(0.61)
Finance costs	**1.40**	1.10
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**3.05**	(12.66)
(Increase)/decrease in inventories	**(1.24)**	(1.29)
Increase/(decrease) in trade payables	**3.74**	10.20
(Increase)/decrease in other financial assets	**(4.07)**	27.22
(Increase)/decrease in other non-current assets	**(2.13)**	(0.03)
(Increase)/decrease in other current assets	**2.63**	(3.12)
Increase/(decrease) in employee benefit obligations	**0.16**	0.28
Increase/(decrease) in other financial liabilities	**(0.32)**	(0.34)
Increase/(decrease) in other current liabilities	**(8.50)**	11.04
Cash generated from operations	**179.18**	238.10
Income taxes paid (net of refund)	**(53.57)**	(56.58)
Net cash inflow from operating activities	**125.61**	**181.52**
Cash flows from investing activities		
Payments for property, plant and equipment	**(16.36)**	(10.80)
Proceeds from sale of property, plant and equipment	**0.18**	0.07
Other bank balances - deposits placed	**(191.11)**	(205.72)
Interest received	**66.80**	53.83
Net cash outflow from investing activities	**(140.49)**	(162.62)

Statement of Cash Flows - *Contd..*

		Rupees Million
	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Cash flows from financing activities		
Proceeds from borrowings	**0.26**	0.60
Repayment of borrowings	**(0.26)**	(0.40)
Interest paid	**(1.40)**	(1.10)
Net cash outflow from financing activities	**(1.40)**	(0.90)
Net increase/(decrease) in cash and cash equivalents	**(16.28)**	18.00
Cash and cash equivalents at the beginning of the year	**27.87**	9.87
Cash and cash equivalents at the end of the year	**11.59**	27.87

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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration Number 117366W/W - 100018)

For and on behalf of the Board

Alka Chadha
Partner
(Membership No. 93474)

ARJUN OBEROI
Managing Director
(DIN No: 00052106)

S.N. SRIDHAR
Company Secretary and Director
(DIN No: 03613123)

Shimla
10th May, 2019

T.K. SIBAL
Director
(DIN No: 00038992)

KALLOL KUNDU
Chief Financial Officer

Statement of changes in equity for the Year ended 31st March, 2019

	Rupees Million
A. Equity share capital	
Balance as at April 1, 2017	**330.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**330.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**330.00**

B. Other equity

	Retained earnings (Surplus / (Deficit))
Balance as at April 1, 2017	**(227.24)**
Profit for the year	179.99
Other comprehensive income/(loss) for the year, net of tax	0.61
Total comprehensive income for the year	**180.60**
Balance as at March 31, 2018	**(46.64)**
Balance as at April 1, 2018	**(46.64)**
Profit for the year	170.79
Other comprehensive income/(loss) for the year, net of tax	(0.33)
Total comprehensive income for the year	**170.46**
Balance as at March 31, 2019	**123.82**

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 Number 117366W/W - 100018)

Alka Chadha
Partner
(Membership No. 93474)

Shimla
10th May, 2019

For and on behalf of the Board

ARJUN 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

Notes to 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.

Notes to Financial Statements — *Contd.*

(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.

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.

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

As a lessee

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Assets under Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

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

Notes to Financial Statements — *Contd.*

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 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.

Notes to Financial Statements — *Contd.*

(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 32 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 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 Section133 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.

Notes to Financial Statements — *Contd.*

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.

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.

Notes to Financial Statements — *Contd.*

(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

– 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.

Notes to Financial Statements — *Contd.*

2
New standards/amendments that are not yet effective and have not been early adopted:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company have not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases, and related interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual reporting periods beginning on or after April 1, 2019.The Company proposes to use the Modified Retrospective Approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Company will be using certain practical expedients that are available.

Currently, the operating lease expenses are charged to the Statement of Profit and Loss.

The Company is evaluating its effect on the financial statements.

Ind AS 12, Income Taxes:

On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment in its financial statements.

On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while determining the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company proposes to restrospectively adjust the cumulative effect of application of Appendix C in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment in its financial statements.

Notes to Financial Statements — *Contd.*

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 31.03.2019 the balance useful life of the hotel building of the Company was 56 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 17th December, 2003 to an Arbitral Tribunal consisting of a single arbitrator. The Arbitrator's Award dated 23rd July, 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 17th December, 2003 Order referred to above and such deposits have been disclosed in these financial statements under "Non-current financial assets" (Refer Note 6(i)) and "Other bank balances" (Refer Note 13).

The High Court, by virtue of an order dated 25th February, 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 27th June, 2016, Division Bench has stayed the Single Bench Judge Order dated 25th February, 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 Financial Statements — *Contd.*

4 (i)
Property, plant and equipment

Rupees Million

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2018
	Balance as at April 01, 2017	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2018	As at April 1, 2017	For the year	Less: Sales/ Adjust-ments	As at March 31, 2018	
Freehold land	74.41	-	-	74.41	-	-	-	-	74.41
Buildings	379.96	-	-	379.96	11.82	5.92	-	17.74	362.22
Plant and equipment	71.39	4.27	1.70	73.96	31.91	3.51	0.96	34.46	39.50
Furniture and fittings	3.26	1.07	0.01	4.32	0.77	0.50	-	1.27	3.05
Vehicles	2.71	-	-	2.71	0.56	0.32	-	0.88	1.83
Office equipment	0.05	-	0.05	-	-	-	-	-	-
Leased vehicles (Refer note below)	1.27	0.60	-	1.87	0.86	0.35	-	1.21	0.66
Computers	3.42	1.13	-	4.55	1.56	0.78	-	2.34	2.21
Total	**536.47**	**7.07**	**1.76**	**541.78**	**47.48**	**11.38**	**0.96**	**57.90**	**483.88**

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2019
	Balance as at April 01, 2018	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2019	As at April 1, 2018	For the year	Less: Sales/ Adjust-ments	As at March 31, 2019	
Freehold land	74.41	-	-	74.41	-	-	-	-	74.41
Buildings	379.96	1.62	0.41	381.17	17.74	5.93	0.03	23.64	357.53
Plant and equipment	73.96	11.37	1.47	83.86	34.46	3.71	1.16	37.01	46.85
Furniture and fittings	4.32	1.11	-	5.43	1.27	0.62	-	1.89	3.54
Vehicles	2.71	1.51	-	4.22	0.88	0.36	-	1.24	2.98
Office equipment	-	-	-	-	-	-	-	-	-
Leased vehicles (Refer note below)	1.87	0.26	0.45	1.68	1.21	0.27	0.45	1.03	0.65
Computers	4.55	0.74	0.03	5.26	2.34	0.74	-	3.08	2.18
Total	**541.78**	**16.61**	**2.36**	**556.03**	**57.90**	**11.63**	**1.64**	**67.89**	**488.14**

Leased vehicles

The lease term in respect of vehicles acquired under finance leases generally expire within three to five years. Under the terms of the leases, at the expiry of the lease term, the vehicle is transferred to the name of the Company without any consideration by the lessor (Refer Note 18).

4 (ii)
Contractual Obligations

Refer to Note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment

Notes to Financial Statements — *Contd.*

5
Intangible assets

Rupees Million

	Gross carrying amount				Accumulated Amortisation				Carrying value as at March 31, 2018
	Balance as at April 01, 2017	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2018	As at April 1, 2017	For the year	Less: Sales/ Adjust-ments	As at March 31, 2018	
Computer Software	0.55	-	-	0.55	0.16	0.11	-	0.27	0.28
Total	**0.55**	**-**	**-**	**0.55**	**0.16**	**0.11**	**-**	**0.27**	**0.28**

	Gross carrying amount				Accumulated Amortisation				Carrying value as at March 31, 2019
	Balance as at April 01, 2018	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2019	As at April 1, 2018	For the year	Less: Sales/ Adjust-ments	As at March 31, 2019	
Computer Software	0.55	0.42	-	0.97	0.27	0.14	-	0.41	0.56
Total	**0.55**	**0.42**	**-**	**0.97**	**0.27**	**0.14**	**-**	**0.41**	**0.56**

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

Notes to Financial Statements — *Contd.*

6
Other financial assets

Other financial assets consist of the following

(i) Non-current financial assets

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
Fixed deposits *	**3.93**	-
Security deposits	**1.19**	1.09
Total other non-current financial assets	**5.12**	1.09

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

(ii) Current financial assets

Interest accrued on deposits	**13.95**	10.20
Security deposits	**0.12**	0.06
Other receivables	**-**	0.02
Total other current financial assets	**14.07**	10.28

7
Deferred tax assets (net)

Deferred Tax Assets on account of :		
Accrued expenses deductible on payment	**1.20**	1.01
Fair valuation of security deposit-assets	**-**	-
MAT credit entitlement	**127.82**	146.80
Other temporary differences	**0.10**	-
Total deferred tax assets (A)	**129.12**	**147.81**
Deferred Tax Liabilities on account of :		
Property, plant and equipment and intangible assets	**83.87**	82.70
Total deferred tax liabilities (B)	**83.87**	82.70
Deferred tax assets (net) (A-B)	**45.25**	65.11

Movement in deferred tax assets

Notes to Financial Statements — *Contd.*

Movement in deferred tax assets **Rupees Million**

	Unabsorbed depreciation	Accrued expenses deductible on payment	Fair valuation of security deposit	MAT credit entitlement	Other temporary differences	Total
As at April 1, 2017	**32.60**	**1.17**	**-**	**132.61**	**-**	**166.38**
(Charged)/Credited:						
- to profit and loss	(32.60)	(0.41)	-	14.19	-	(18.82)
- to other comprehensive income	-	0.25	-	-	-	0.25
As at March 31, 2018	**-**	**1.01**	**-**	**146.80**	**-**	**147.81**
(Charged)/Credited:						
- to profit and loss	-	0.05	-	(18.98)	0.10	(18.83)
- to other comprehensive income	-	0.14	-	-	-	0.14
As at March 31, 2019	**-**	**1.20**	**-**	**127.82**	**0.10**	**129.12**

Movement in deferred tax liabilities

Rupees Million

	Property, plant and equipment and intangible assets
As at April 1, 2017	**80.67**
Charged/(Credited):	
- to profit and loss	2.03
As at March 31, 2018	**82.70**
Charged/(Credited):	
- to profit and loss	1.17
As at March 31, 2019	**83.87**

8
Other non-current assets (net)

Rupees Million

	As at March 31, 2019	As at March 31, 2018
Opening balance	**(0.84)**	-
Less: Tax payable for the year	**(71.28)**	-
Add: MAT Credit utilised	**18.98**	-
Add: Taxes paid	**53.57**	-
Total other non-current assets	**0.43**	-

9
Other non-current assets

Capital advances	**1.39**	1.26
Prepaid expenses	**0.26**	0.12
Services exports incentive	**1.99**	-
Total other non-current assets	**3.64**	1.38

Notes to Financial Statements — *Contd.*

10
Inventories*

		Rupees Million
	As at March 31, 2019	As at March 31, 2018
Provisions, wines and others	**6.55**	5.62
Stores & Operating Supplies	**13.17**	12.86
Total inventories	**19.72**	18.48

*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 Rs 29.35 million (for the year ended March 31, 2018: Rs 30.01 million).

	As at March 31, 2019	As at March 31, 2018
11		
Trade receivables*		
Unsecured, considered good		
Receivables from related parties	**1.20**	0.33
Receivable from other than related parties	**29.23**	33.15
Total trade receivables	**30.43**	33.48

* Read with note 32

12
Cash and cash equivalents

Balances with banks		
- Current accounts	**2.26**	9.46
Cash in hand	**0.44**	1.19
Fixed deposits with maturity within three months	**8.89**	17.22
Total cash and cash equivalents	**11.59**	27.87

13
Other bank balances

Current account *	**0.03**	0.02
Fixed deposits *	**764.65**	667.43
Fixed deposits with original maturity of more than 3 months amd having remaining maturity of less than 12 months from the Balance Sheet date	**473.46**	379.58
Total other bank balances	**1,238.14**	1,047.03

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

14
Other current assets

Prepaid expenses	**4.01**	2.81
Services exports incentive	**4.16**	5.18
Other advances	**0.14**	2.95
Total other current assets	**8.31**	10.94

Notes to Financial Statements — *Contd.*

15
Equity share capital

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
AUTHORISED		
50,000,000 Equity Shares of INR 10 each (2018 - 50,000,000)	**500.00**	500.00
	500.00	500.00
ISSUED, SUBSCRIBED & FULLY PAID		
33,000,000 Equity Shares of INR 10 each (2018 - 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)**
As at April 1, 2017	**33,000,000**	**330.00**
Change during the year	-	-
As at March 31, 2018	**33,000,000**	**330.00**
Change during the year	-	-
As at March 31, 2019	**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 INR 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, 2019		**As at March 31, 2018**	
	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%

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

	As at March 31, 2019	**As at March 31, 2018**
	Number of Shares	
EIH Limited	25,999,995	25,999,995

Notes to Financial Statements — *Contd.*

16
Other equity

	As at March 31, 2019	As at March 31, 2018
		Rupees Million
Retained earnings		
Surplus / (Deficit) *	**123.82**	(46.64)
Total other equity	**123.82**	(46.64)
*** Surplus/(Deficit)**		
Opening Balance	**(46.64)**	(227.24)
Add: Profit during the year as per Statement of Profit and Loss	**170.79**	179.99
Less: Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	**(0.33)**	0.61
Closing Balance	**123.82**	(46.64)

17
Advance towards equity

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 INR 1,361.93 Million (2018 - INR 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

Rupees Million

	Maturity Date	Terms of repayments	Coupon / Interest rate per annum	As at March 31, 2019	As at March 31, 2018
Secured					
Maturities of finance lease obligations - Vehicles (Refer note (i) below)	1 to 4 years	Monthly	12.50%	0.52	0.48
Unsecured					
Government of Himachal Pradesh	Refer note (ii) below	Half-Yearly	16.50%	5.00	5.00
Total				**5.52**	**5.48**

(i) Secured borrowings

The Finance lease obligations are secured by hypothecation of vehicles taken under lease. Repayments are done by equated monthly installments over 36 to 60 months.

(ii) Unsecured borrowings

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

Notes to Financial Statements — *Contd.*

19
Provisions

Rupees Million

Employee benefit obligations	As at March 31, 2019			As at March 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Leave Encashment - Unfunded						
Present value of obligation	0.01	2.33	2.34	0.01	1.67	1.68
Gratuity - Unfunded						
Present value of obligation	-	0.49	0.49	-	0.52	0.52
Total employee benefit obligations	**0.01**	**2.82**	**2.83**	**0.01**	**2.19**	**2.20**

(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 INR 2.07 Million and March 18 INR 2.13 Million.

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

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

Rupees Million

	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2017	**0.57**	**-**	**0.57**	**2.21**
Current service cost	0.15	-	0.15	0.33
Interest expense/(income)	0.04	-	0.04	0.15
Total amount recognised in Statement of Profit and Loss	**0.19**	**-**	**0.19**	**0.48**
Remeasurements				
Experience (gains)/losses	(0.10)	-	(0.10)	(0.43)
(Gain)/loss from change in financial assumptions	(0.05)	-	(0.05)	(0.28)
Total amount recognised in Other Comprehensive Income	**(0.15)**	**-**	**(0.15)**	**(0.71)**
Employer contributions	-	-	-	-
Benefit payments	(0.09)	-	(0.09)	(0.30)
March 31, 2018	**0.52**	**-**	**0.52**	**1.68**

Notes to Financial Statements — *Contd.*

April 1, 2018	**0.52**	**-**	**0.52**	**1.68**
Current service cost	0.13	-	0.13	0.42
Interest expense/(income)	0.03	-	0.03	0.12
Total amount recognised in Statement of Profit and Loss	**0.16**	**-**	**0.16**	**0.54**
Remeasurements				
Experience (gains)/losses	0.02	-	0.02	0.43
(Gain)/loss from change in financial assumptions	0.01	-	0.01	0.01
Total amount recognised in Other Comprehensive Income	**0.03**	**-**	**0.03**	**0.44**
Employer contributions	-			-
Benefit payments	(0.22)	-	(0.22)	(0.32)
March 31, 2019	**0.49**	**-**	**0.49**	**2.34**

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2019	**March 31, 2018**
Discount rate	**7.68%**	**7.71%**
Salary growth rate	**5.00%**	**5.00%**
Mortality	**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

(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**			
			Increase by 1%		**Decrease by 1%**	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
Gratuity						
Discount rate	1%	1%	(0.10)	(0.11)	0.12	0.14
Salary Growth Rate	1%	1%	0.13	0.14	(0.10)	(0.11)
Leave encashment						
Discount rate	1%	1%	(0.35)	(0.26)	0.42	0.32
Salary Growth Rate	1%	1%	0.43	0.33	(0.36)	(0.27)

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.

Notes to Financial Statements — *Contd.*

(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 very 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 actual cost and hence 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 25.21 years (2018 - 26.30 years) and 18.36 years (2018 - 19.53 years) for Gratuity and Leave Encashment respectively.

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

Rupees Million

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	6 to 10 years	More than 10 years	Total
March 31, 2019						
Gratuity	-	-	0.02	0.04	3.27	3.33
Leave encashment	0.01	0.02	0.06	0.15	9.52	9.76
Total	**0.01**	**0.02**	**0.08**	**0.19**	**12.79**	**13.09**
March 31, 2018						
Gratuity	-	-	0.02	0.04	3.76	3.82
Leave encashment	0.01	0.01	0.04	0.11	7.29	7.46
Total	**0.01**	**0.01**	**0.06**	**0.15**	**11.05**	**11.28**

Notes to Financial Statements — *Contd.*

20
Other current financial liabilities

		Rupees Million
	As at March 31, 2019	As at March 31, 2019
Current maturities of finance lease obligations	**0.18**	0.22
Liability for capital expenditure	**0.60**	0.03
Retention money	**-**	0.29
Other liabilities	**-**	0.03
Total current financial liabilities	**0.78**	0.57

21
Current tax liabilities (net)

Opening balance	**-**	2.45
Add: Tax payable for the year	**-**	54.67
Less: Taxes paid	**-**	(56.58)
Add/Less: Adjustment for earlier years	**-**	0.30
Total current tax liabilities (net)	**-**	0.84

22
Other current liabilities

Advance from customers	**5.77**	9.96
Statutory dues	**6.07**	10.38
Total other current liabilities	**11.84**	20.34

Notes to Financial Statements — *Contd.*

23
Revenue from operations

	Year Ended March 31, 2019	Year Ended March 31, 2018
		Rupees Million
Rooms	**285.60**	297.26
Food and beverage	**108.64**	113.10
Other services	**27.34**	29.51
Total revenue from operations	**421.58**	439.87

24
Other income

	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income on financials assets carried at amortised cost :		
Bank deposits	**70.55**	61.22
Income on account of services exports incentive	**4.06**	4.30
Other gains/(losses) :		
Net foreign exchange gain	**0.06**	0.14
Provisions and liabilities no longer required, written back	**0.39**	0.61
Miscellaneous income	**0.40**	0.59
Total other income	**75.46**	66.86

25
Consumption of provisions, wines & others

	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Stock	**5.62**	4.27
Add : Purchases	**30.28**	31.36
	35.90	35.63
Less : Closing Stock	**6.55**	5.62
Total Consumption of provisions, wines & others	**29.35**	30.01

26
Employee benefits expense

	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Wages	**55.15**	59.66
Contribution to provident fund and other funds	**2.07**	2.13
Gratuity	**0.16**	0.19
Staff welfare expenses	**13.81**	14.13
Total employee benefits expense	**71.19**	76.11

27
Finance costs

	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expense	**1.40**	1.10
Total finance costs for financial liabilities not recognised through FVTPL	**1.40**	1.10

Notes to Financial Statements — *Contd.*

28
Depreciation and amortisation expense

Rupees Million

	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation of property, plant and equipment	**11.63**	11.38
Amortisation of intangible assets	**0.14**	0.11
Total depreciation and amortisation expense	**11.77**	11.49

29
Other expenses

Power and fuel	**32.64**	29.56
Rent	**2.51**	2.14
Repairs and maintenance		
- Building	**5.33**	6.27
- Plant and equipment	**7.84**	9.54
- Others	**1.00**	0.63
Insurance	**1.16**	1.11
Rates and taxes	**1.04**	1.61
Expenses on apartment and board	**8.20**	9.16
Advertisement, publicity and other promotional expenses	**6.20**	6.13
Commission to travel agents and others	**19.91**	18.50
Passage and travelling	**7.44**	4.68
Postage, telephone, etc.	**0.80**	1.42
Legal and Professional charges	**4.20**	3.42
Linen, uniform washing and laundry expenses	**0.76**	0.78
Renewals and replacements	**5.17**	4.77
Musical, banquet and kitchen expenses	**1.05**	1.02
Auditors' remuneration (Refer Note 29(a))	**0.15**	0.10
CSR expenses (refer note 29(b))	**5.03**	3.79
Expenses on contracts for service	**15.59**	14.09
Loss on Sale / Discard of property, plant and equipment (Net)	**0.54**	0.73
Water charges	**7.55**	7.34
Director's sitting fees	**1.44**	1.84
Printing and stationery	**1.05**	1.09
Subscriptions	**1.07**	0.89
Donation	**-**	0.01
Miscellaneous expenses	**2.57**	2.00
Total other expenses	**140.24**	132.62

(a) Details of Auditors' remuneration

As auditor:		
- Audit fee	**0.09**	0.09
- Tax Audit fee	**0.01**	0.01
- Reimbursement of expenses	**0.05**	-
	0.15	0.10

Notes to Financial Statements — *Contd.*

	Year Ended March 31, 2019	Year Ended March 31, 2018
		Rupees Million
(b) Details of CSR Expenditure		
Repair maintenance and construction work at school for the hearing and visually impaired at Dhalli, Shimla	**2.38**	1.23
Repair work of toilets at the school for hearing and visually impaired at Dhalli, Shimla	**-**	0.33
Skill Development (Vocational Training) at School for hearing and visually impaired at Dhalli, Shimla	**1.82**	1.45
Expenses for Swachh Bharat Abhiyan	**0.83**	0.78
Total CSR expenditure	**5.03**	3.79
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	**4.73**	3.97

30
Tax Expense

	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Income tax		
Tax on profits for the year	**71.28**	54.67
Adjustments for prior periods	**-**	0.30
Total income tax	**71.28**	54.97
(b) Deferred tax		
Decrease (increase) in deferred tax assets	**18.69**	18.57
(Decrease) increase in deferred tax liabilities	**1.17**	2.03
	19.86	20.60
Less: MAT credit utilised	**(18.98)**	-
Add / (Less): Recognised in OCI	**0.14**	(0.25)
Total deferred tax expense/(benefit)	**1.02**	20.35
Total tax expense	**72.30**	75.32
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before tax expense	**243.09**	255.31
Tax at the rate of 29.12% (F.Y. 2017-18 – 28.84%)	**70.79**	73.63
Tax effect of amounts which are not deductible in calculating taxable income:		
CSR Expenses	**1.46**	1.09
Income Tax	**0.06**	-
Adjustments related to property, plant and equipment:		
Depreciation on account of difference in WDV as per Companies Act and Income tax Act	**-**	0.10
Adjustment on account of depreciable & leased assets	**(0.01)**	(0.11)
Difference in unabsorbed depreciation set off in computation and deferred tax	**-**	(0.48)
Rate change considered for deferred tax		
Opening balance	**-**	0.78
Rate change on movement during the year	**-**	0.01
Other differences		
Tax for earlier year charged to P/L	**-**	0.30
Tax expense as per Income Tax	**72.30**	75.32

Notes to Financial Statements — *Contd.*

31
Fair Value Measurements

Financial instruments by category

	As at March 31, 2019 Amortised cost	As at March 31, 2018 Amortised cost
		Rupees Million
Financial assets		
Trade Receivables	**30.43**	33.48
Cash and cash equivalents	**11.59**	27.87
Other bank balances	**1,238.14**	1,047.03
Other receivables	**13.95**	10.22
Security deposits	**1.31**	1.15
Fixed deposits with more than 12 months maturity period	**3.93**	-
Total financial assets	**1,299.35**	1,119.75
Financial liabilities		
Borrowings	**5.00**	5.00
Finance lease obligations	**0.70**	0.70
Trade payables	**31.76**	28.41
Others	**0.60**	0.35
Total financial liabilities	**38.06**	34.46

(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, security deposits 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.

Notes to Financial Statements — *Contd.*

32
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 :

		Rupees Million
Currency	**Receivables**	**Payables**
March 31, 2019		
Great Britain Pound (GBP)	-	0.11
Net Exposure to foreign currency risk	**-**	**0.11**
March 31, 2018		
Euro	-	0.11
US Dollar (USD)	-	0.17
Singapore Dollar (SGD)	-	0.02
Net Exposure to foreign currency risk	**-**	**0.30**

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, 2019	March 31, 2018
EURO sensitivity		
INR/EURO Increases by 5% (March 31, 2018 - 5%)	**-**	(0.01)
INR/EURO Decreases by 5% (March 31, 2018 - 5%)	**-**	0.01
USD sensitivity		
INR/USD Increases by 5% (31 March 2018 - 5%)	**-**	(0.01)
INR/USD Decreases by 5% (31 March 2018 - 5%)	**-**	0.01
GBP sensitivity		
INR/EURO Increases by 5% (March 31, 2018 - 5%)	**(0.01)**	-
INR/EURO Decreases by 5% (March 31, 2018 - 5%)	**0.01**	-
SGD sensitivity		
INR/USD Increases by 5% (31 March 2018 - 5%)	**-**	-
INR/USD Decreases by 5% (31 March 2018 - 5%)	**-**	-

(ii) Interest rate risk

The status of borrowings in terms of fixed rate and floating rate are as follows:

	March 31, 2019	March 31, 2018
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.

Notes to Financial Statements — *Contd.*

(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.

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 risk (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 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 table below analyses the Company's all 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: **Rupees Million**

	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2019				
Borrowings*	0.83	3.30	5.00	9.13
Obligations under finance lease	0.37	0.83	-	1.20
Liability for Capital Expenditure	0.60	-	-	0.60
Trade payables	31.76	-	-	31.76
Total non-derivative liabilities	**33.56**	**4.13**	**5.00**	**42.69**
March 31, 2018				
Borrowings*	0.83	3.30	5.00	9.13
Obligations under finance lease	0.37	0.86	-	1.23
Liability for Capital Expenditure	0.03	-	-	0.03
Trade payables	28.41	-	-	28.41
Retention money	0.29	-	-	0.29
Other financial liabilities	0.03	-	-	0.03
Total non-derivative liabilities	**29.96**	**4.16**	**5.00**	**39.12**

* 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.

Notes to Financial Statements — *Contd.*

33
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 Rupees 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.

34
Micro and Small Enterprises

			Rupees Million
		As at March 31, 2019	As at March 31, 2018
(a)	Amounts payable to suppliers under MSMED as at the year end		
	(i) the principal amount remaining unpaid to any supplier **	**Nil**	0.01
	(ii) interest due thereon	**Nil**	Nil
(b)	Payments made to suppliers beyond the appointed day during the year		
	(i) the principal amount	**Nil**	Nil
	(ii) interest due thereon	**Nil**	Nil
(c)	Interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
(d)	Interest accrued and remaining unpaid	**Nil**	Nil
(e)	further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**NA**	NA

** 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.

35
Creditors other than micro enterprises and small enterprises

Trade payables to related parties	**2.58**	3.18
Trade payables - others	**29.18**	25.22
Total	**31.76**	28.40

Notes to Financial Statements — *Contd.*

36 (a)
Related Party Transactions

List of Related Parties

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

Mr. Vineet Chawdhry (upto 06.01.19) - Chairman
Mr. Brij Kumar Agarwal (w.e.f. 07.01.19) - Chairman
Ms. Manisha Nanda (upto 23.07.18) - Director
Dr. Shrikant Baldi (upto 23.07.18) - Director
Mr. Ram Subhag Singh (w.e.f. 24.07.18) - Director
Mr. Anil Kumar Khachi (w.e.f. 24.07.18) - Director
Mr. Vikram Oberoi - Director
Mr. S. N. Sridhar - Company Secretary and Director
Mr. T. K. Sibal - Director
Mr. Arjun Oberoi - Managing Director
Mr. Viresh S. Mathur - Independent Director
Mr. Shashank Bhagat - Independent Director
Mr. Biswajit Mitra (upto 06.01.19) - Chief Financial Officer
Mr. Kallol Kundu (w.e.f. 07.01.19) - Chief Financial Officer
Mr. P. R. S. Oberoi - Chairman of the Parent Company
Mr. S. S. Mukherji - Vice Chairman of the Parent Company

(ii) Parent Company

EIH Limited

(iii) Fellow Subsidiaries

Mumtaz Hotels Limited
Oberoi Kerala Hotels & Resorts Limited
EIH International Ltd.
EIH Flight Services Limited
EIH Holdings Ltd.
J&W Hong Kong Limited (Dissolved on 25.11.17)
EIH Investments N.V.
EIH Management Services B.V.
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud

(iv) Associate / Joint Venture of Parent Company

EIH Associated Hotels Limited
Mercury Car Rentals Private Limited
Usmart Education Limited (w.e.f. 11.04.17)
Mercury Travels Limited (w.e.f. 11.04.17 upto 07.08.18)
Mercury Himalayan Explorations Limited (upto 07.08.18)
Oberoi Mauritius Ltd.
Island Resort Ltd.

(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 Financial Statements — *Contd.*

36 (b) Transactions with Related Parties for the year ended March 31, 2018

Rupees 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		Key Management Personnel	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
PURCHASES										
Purchase of goods and services										
EIH Limited	37.94	34.36	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.24	0.67	-	-	-	-
Mumtaz Hotels Limited	-	-	0.07	0.01	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.04	0.03	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.70	0.65	-	-	-	-
Mercury Travels Limited	-	-	-	-	0.03	0.35	-	-	-	-
Total	**37.94**	**34.36**	**0.07**	**0.01**	**0.97**	**1.67**	**0.04**	**0.03**	**-**	**-**
EXPENSES										
Directors' sitting fees										
Mr Arjun Oberoi	-	-	-	-	-	-	-	-	0.20	0.32
Mr. Vikram Oberoi	-	-	-	-	-	-	-	-	0.20	0.32
Mr. T.K. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr S.N. Sridhar	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Viresh S.Mathur	-	-	-	-	-	-	-	-	0.16	0.20
Mr. Shashank Bhagat	-	-	-	-	-	-	-	-	0.20	0.16
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.08**	**1.32**
SALES										
Sale of goods and services										
EIH Limited	1.62	1.24	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.98	1.32	-	-	-	-
Mumtaz Hotels Limited	-	-	-	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.01	-	-
Mercury Travels Limited	-	-	-	-	0.02	0.08	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	0.27	-	-	-	-
Total	**1.62**	**1.24**	**-**	**-**	**1.00**	**1.67**	**-**	**0.01**	**-**	**-**
INCOME										
License agreement										
Mercury Car Rentals Private Limited	-	-	-	-	0.69	0.62	-	-	-	-
Total	**-**	**-**	**-**	**-**	**0.69**	**0.62**	**-**	**-**	**-**	**-**
PAYMENTS										
Refund of collections to related party										
EIH Limited	0.30	1.90	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.62	0.55	-	-	-	-
Mumtaz Hotels Limited	-	-	0.32	0.04	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.06	-	-
Total	**0.30**	**1.90**	**FALSE**	**0.04**	**0.62**	**0.55**	**-**	**0.06**	**-**	**-**
Expenses reimbursed to related party										
EIH Limited	0.94	1.64	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.15	0.14	-	-	-	-
Mumtaz Hotels Limited	-	-	-	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.27	-	-	-
Total	**0.94**	**1.64**	**-**	**-**	**0.15**	**0.14**	**0.27**	**-**	**-**	**-**
RECEIPTS										
Recovery of collections by related party										
EIH Limited	0.37	0.65	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.31	0.26	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.19	0.04	-	-
Total	**0.37**	**0.65**	**-**	**-**	**0.31**	**0.26**	**0.19**	**0.04**	**-**	**-**
Expenses reimbursed by related party										
EIH Limited	1.81	0.63	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.11	0.44	-	-	-	-
Mumtaz Hotels Limited	-	-	0.01	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.09	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	-	0.28	-	-	-
Total	**1.81**	**0.63**	**0.01**	**-**	**0.11**	**0.44**	**0.28**	**0.09**	**-**	**-**

Notes to Financial Statements — *Contd.*

36 (c) The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows :

Rupees 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		Key Management Personnel	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
PAYABLES										
For goods and services										
EIH Limited	1.73	2.39	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	0.01	-	-	-	-	0.01	-	-	-	-
Mercury Car Rentals Private Limited	0.84	-	-	-	-	0.73	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	0.05	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-
Total	**2.58**	**2.39**	**-**	**-**	**-**	**0.79**	**-**	**-**	**-**	**-**
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	0.97	0.26	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	0.14	-	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	-	-	-	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	0.09	-	-	-	-	0.07	-	-	-	-
Total	**1.20**	**0.26**	**-**	**-**	**-**	**0.07**	**-**	**-**	**-**	**-**

Notes to Financial Statements — *Contd.*

35 The Company had contingent liabilities at March 31, 2019 in respect of:

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

		Rupees Million
	March 31, 2019	March 31, 2018
i. Service Tax	**5.16**	5.16
ii. 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

38 Commitments

		Rupees Million
	March 31, 2019	March 31, 2018
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)	**0.04**	1.35

39 Leases

(i) Finance Lease

The Company acquired motor vehicles under finance lease. Generally, tenure of finance lease of vehicles varies between 3 to 5 years. After completion of the lease term, vehicles are transferred in the name of the Company.

The year wise break up of the outstanding lease obligations as on 31st March, 2019 in respect of these assets are as under :-

		Rupees Million
	March 31, 2019	March 31, 2018
Assets taken on lease		
Not later than one year		
Minimum Lease Payments	**0.37**	0.37
Present value	**0.18**	0.22
Later than one year but not later than five years		
Minimum Lease Payments	**0.83**	0.86
Present Value	**0.52**	0.48
Later than five years		
Minimum Lease Payments	**Nil**	Nil
Present Value	**Nil**	Nil
Total Minimum Lease Payments at the year end	**1.20**	1.23
Less: Future finance charges	**0.50**	0.53
Present value of Minimum Lease Payments	**0.70**	0.70

(ii) Assets on Operating Lease - Lessee

The Company has entered into operating lease arrangements primarily for hiring office equipment and residential premises for its employees. These leases are cancellable in nature and may generally be terminated by either party by serving a notice. The lease agreements are generally renewable by mutual consent on mutually agreeable terms.

(iii) 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.

40 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 Financial Statements — *Contd.*

41 Earnings per equity share

		Rupees
	March 31, 2019	March 31, 2018
(a) Basic earnings per share	**5.18**	5.45
(b) Diluted earnings per share	**5.18**	5.45

		Rupees Million
(c) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	**170.79**	179.99
Profit attributable to the equity holders of the Company used in calculating basic and diluted earnings per share:	**170.79**	179.99

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

	March 31, 2019	March 31, 2018
	Number of shares	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

42 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

Rupees million

	As at March 31, 2018	Cash Flows	Non-cash Changes	**As at March 31, 2019**
Non-current borrowings (including current maturities of finance lease obligations)	5.70	-	-	**5.70**
Current borrowings	-	-	-	**-**
Total	5.70	-	-	**5.70**

43 Disclosure on Contract balances :

Notes to Financial Statements — *Contd.*

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).

Advance from Customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 22).

		Rupees Million
Particulars	**As at March 31, 2019**	As at March 31, 2018
As at the beginning of the year	**9.96**	5.57
Recognised as revenue during the year	**9.96**	5.57
As at the end of the year	**5.77**	9.96

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

45 The financial statements were approved for issue by the Board of Directors on 10th May, 2019.

For and on behalf of the Board

ARJUN 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

Shimla
10th May, 2019

OBEROI KERALA HOTELS AND RESORTS LIMITED

BOARD OF DIRECTORS

Mr. Prithviraj Singh Oberoi
Mr. Shib Sankar Mukherji
Mr. T. K. Sibal
Mr. K.G. Mohanlal
Ms. 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 Fifth Annual Report with the Audited Statement of Accounts and the Auditor's Report for the Financial Year ended on 31st March, 2019.

Financials

The Company has recorded a profit of ₹ 0.89 lacs during the Financial Year 2018-19 as against a profit of ₹ 0.33 lacs during the previous year. The accumulated losses as on 31st March, 2019 amounted to ₹ 81.00 lacs. This is being carried forward. There were no material changes affecting the financial position of the Company.

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.

Directors

As on 31st March 2019, the Company had five directors on the Board.

Mr. T.K. Sibal, Director retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Board Meeting

During the year, the Company held four Board Meetings on 23rd May 2018, 9th August 2018, 30th November 2018 and 18th February 2019. The attendance of the Directors in the meeting is as under:

Name of the Director	Number of Meetings Attended
Mr. P.R.S. Oberoi	02
Mr. S.S. Mukherji	02
Mr. T.K. Sibal	04
Ms. Rani George	02
Mr. K.G. Mohanlal	Nil

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.

Extract of Annual Return

Extract of the Annual Return in Form MGT-9 is annexed

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' 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.

Auditor's Report

The Auditor's observations, if any, on the accounts for the financial year ended 31st March 2019, has been explained suitably in the notes to the accounts.

The Report of Auditors does not contain any qualification, reservation or adverse remark.

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.

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

Date : 17th May, 2019	T.K. SIBAL	P.R.S. OBEROI
Place : Delhi	*Director*	*Director*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U55101KL1994PLC007951
2.	Registration Date	01/06/1994
3.	Name of the Company	OBEROI KERALA HOTELS AND RESORTS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	C46 452 H, BRISTOW ROAD W. ISLAND COCHIN ERNAKULAM KERALA- 682003
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	HOTEL SERVICE	9963/99631110	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable Section
1	EIH LIMITED 4,MANGOE LANE KOLKATA-700001	L55101WB1949PLC017981	HOLDING	80%	2(46)

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	NIL	2720007	2720007	100	NIL	2720007	2720007	100	NIL
e) Banks / FI									
f) Any other									
Total Shareholding of Promoter (A)	**NIL**	**2720007**	**2720007**	**100**	**NIL**	**2720007**	**2720007**	**100**	**NIL**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									

A) Category-wise Share Holding – *Contd...*

c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Grand Total (A+B+C)	**NIL**	**2720007**	**2720007**	**100**	**NIL**	**2720007**	**2720007**	**100**	**NIL**

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	EIH Limited (EIH)	2176000	80	NIL	2176000	80	NIL	NIL
2	KERALA TOURISM INFRASTRUCTURE LIMITED (KTIL) FORMERLY TOURIST RESORTS (KERALA) LIMITED	544000	20	NIL	544000	20	NIL	NIL
3	EIH JT. P.R.S OBEROI	1	-	NIL	1	-	NIL	NIL
4	EIH JT. S.S MUKHERJI	1	-	NIL	1	-	NIL	NIL
5	EIH JT. T.K SIBAL	1	-	NIL	1	-	NIL	NIL
6	EIH JT. AMARDEEP SINGH	1	-	NIL	1	-	NIL	NIL
7	KTIL JT. DR.V.VENU	1	-	NIL	NIL	-	NIL	NIL
8	KTIL JT. TEEKA RAM MEENA	1	-	NIL	NIL	-	NIL	NIL
9	KTIL JT. ANIL KUMAR	1	-	NIL	NIL	-	NIL	NIL
10	KTIL JT.RANI GEORGE	NIL	-	NIL	1	-	NIL	NIL
11	KTIL JT. SHARMILA MARY JOSEPH	NIL	-	NIL	1	-	NIL	NIL
12	KTIL JT. K.G. MOHANLAL	NIL	-	NIL	1	-	NIL	NIL

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2720007	100	2720007	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year	2720007	100	2720007	100

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NOT APPLICABLE			
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NOT APPLICABLE			
	At the end of the year	NIL	NIL	NIL	NIL

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	NOT APPLICABLE	----
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NOT APPLICABLE	----
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NOT APPLICABLE	----
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NOT APPLICABLE	----
2	Stock Option	NOT APPLICABLE	----
3	Sweat Equity	NOT APPLICABLE	----
4	Commission - as % of profit - others, specify…	NOT APPLICABLE	----
5	Others, please specify	NOT APPLICABLE	----
	Total (A)	NOT APPLICABLE	----
	Ceiling as per the Act	NOT APPLICABLE	----

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	NOT APPLICABLE	----
	Fee for attending board committee meetings	NOT APPLICABLE	----
	Commission	NOT APPLICABLE	----
	Others, please specify	NOT APPLICABLE	----
	Total (1)	NOT APPLICABLE	----
2	Other Non-Executive Directors	NOT APPLICABLE	----
	Fee for attending board committee meetings	NOT APPLICABLE	----
	Commission	NOT APPLICABLE	----
	Others, please specify	NOT APPLICABLE	----
	Total (2)	NOT APPLICABLE	----
	Total (B)=(1+2)	NOT APPLICABLE	----
	Total Managerial Remuneration	NOT APPLICABLE	----
	Overall Ceiling as per the Act	NOT APPLICABLE	----

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A	N.A	N.A	N.A
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	____	____	____	____
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	____	____	____	____
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	____	____	____	____
2	Stock Option	____	____	____	____
3	Sweat Equity	____	____	____	____
4	Commission	____	____	____	____
	- as % of profit others, specify…	____ ____	____ ____	____ ____	____ ____
5	Others, please specify	____	____	____	____
	Total	N.A	N.A	N.A	N.A

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

T.K. SIBAL
Director

P.R.S. OBEROI
Director

INDEPENDENT AUDITOR'S REPORT

To
The Members
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, 2019, 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 Standard) 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, 2019, 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(i) 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 Rs 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 these matters.

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 ofour 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 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 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(3J(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, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company 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 explanations given to us, the Company has not paid /provided any remuneration to its directors during the year. As 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

A K Sharma
Partner
Membership No.80085

Place: New Delhi
Date: 17th May, 2019

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 31st March, 2019 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 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAY & RAY
Chartered Accountants
Firm's Registration no. 301072E

A.K. Sharma
Partner
Membership no. 80085

Place: New Delhi
Date: 17th May, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of 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 31.03.2019 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

A.K. Sharma
Partner
Membership no. 80085

Place: New Delhi
Date: 17th May, 2019

Balance sheet
as at 31st March, 2019

	Note	As at March 31, 2019	₹ in Lacs As at March 31, 2018
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	**0.22**	0.19
(ii) Cash and cash equivalents	7	**0.71**	0.60
(iii) Other financial assets	8	**18.35**	16.64
(b) Current tax Assets (net)	9	**0.44**	0.13
(c) Other current assets	10	**0.51**	0.29
Total current assets		**20.23**	17.85
Total Assets		**223.54**	221.16
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**272.00**	272.00
(b) Other equity	12	**(81.00)**	(81.89)
Total Equity		**191.00**	190.11
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Other Non Current Financial Liabilities	13	**10.27**	9.25
(b) Deferred Tax Liabilities (Net)	14	**0.30**	0.29
(c) Other Non Current Liabilities	15	**3.48**	4.55
Total non-current liabilities		**14.05**	14.09
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	16	**0.89**	0.91
(ii) Other Financial Liabilities	17	**16.50**	14.97
(b) Other Current Liabilities	18	**1.10**	1.08
Total current liabilities		**18.49**	16.96
Total Equity and Liabilities		**223.54**	221.16

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ray & Ray
Chartered Accountants

For and on behalf of the Board

A.K.SHARMA
Partner
Membership Number 080085
Firm's Registration no. 301072E

P.R.S. OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 17th May, 2019

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Statement of Profit and Loss for the Year ended 31st March, 2019

₹ in Lacs

	Note	**Year Ended 31 March, 2019**	Year Ended 31 March, 2018
Other income	19	**8.43**	7.90
Total Income		**8.43**	7.90
Expenses			
Finance costs	20	**1.02**	0.92
Other expenses	21	**5.40**	5.32
Total Expenses		**6.42**	6.24
Profit before Tax		**2.01**	1.66
Tax Expense			
Current tax	22	**1.11**	1.33
Deferred tax	22	**0.01**	-
Profit for the year		**0.89**	0.33
Other Comprehensive Income		**-**	-
Total other comprehensive income/(loss) for the year, net of tax		**-**	-
Total comprehensive income for the year		**0.89**	0.33
Earnings per equity share - Basic (in Rupees)	33	**0.033**	0.012
Earnings per equity share - Diluted (in Rupees)	33	**0.033**	0.012

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ray & Ray
Chartered Accountants

For and on behalf of the Board

A.K.SHARMA
Partner
Membership Number 080085
Firm's Registration no. 301072E

P.R.S. OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 17th May, 2019

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Statement of changes in equity for the Year ended 31st March, 2019

	₹ in Lacs
A. Equity share capital	
Balance at April 1, 2017	272.00
Changes in equity share capital during the year	-
Balance at March 31, 2018	272.00
Changes in equity share capital during the year	-
Balance at March 31, 2019	272.00

B. Other equity

	Retained Earnings
Balance at April 1, 2017	(82.22)
Profit for the year	0.33
Other comprehensive income/(loss) for the year, net of tax	
Total comprehensive income for the year	**-**
Balance at March 31, 2018	**(81.89)**
Balance at April 1, 2018	**(81.89)**
Profit for the year	0.89
Other comprehensive income/(loss) for the year, net of tax	-
Total comprehensive income for the year	**0.89**
Balance at March 31, 2019	**81.00**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ray & Ray
Chartered Accountants

A.K.SHARMA
Partner
Membership Number 080085
Firm's Registration no. 301072E

Place : New Delhi
Date : 17th May, 2019

For and on behalf of the Board

P.R.S. OBEROI
Director

T.K. SIBAL
Director

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Statement of cash flows

	Year Ended 31 March, 2019	Year Ended 31 March, 2018
		₹ In Lacs
Cash flows from operating activities		
Profit before Tax	**2.01**	1.66
Adjustments for		
Rent Received	**(6.99)**	(6.83)
Finance costs	**1.02**	0.92
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**(0.03)**	(0.19)
Increase/(decrease) in trade payables	**(0.02)**	(0.68)
(Increase)/decrease in other financial assets	**(1.71)**	-
(Increase)/decrease in other current assets	**(0.22)**	1.27
Increase/(decrease) in other non current liabilities	**(1.07)**	(1.07)
Increase/(decrease) in other financial liabilities	**1.53**	-
Increase/(decrease) in other current liabilities	**0.02**	(1.53)
Cash generated from operations	**(5.46)**	(6.45)
Income taxes paid (net of refund)	**(1.42)**	(1.51)
Interest received on income tax refund	**-**	-
Net cash inflow from operating activities	**(6.88)**	(7.96)
Cash flows from investing activities		
Rent Received	**6.99**	6.83
Net cash outflow from investing activities	**6.99**	6.83
Cash flows from financing activities		
Interest paid	**-**	-
Net cash used in financing activities	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	**0.11**	(1.13)
Cash and cash equivalents at the beginning of the year	**0.60**	1.73
Cash and cash equivalents at the end of the year	**0.71**	0.60

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

For and on behalf of the Board

A.K.SHARMA
Partner
Membership Number 080085
Firm's Registration no. 301072E

P.R.S. OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 17th May, 2019

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Notes to Financial Accounts

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.

2
SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these separate 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 Act read with Companies (Indian Accounting Standard) Rules, 2015as amended and other accounting principles generally accepted in India, as a going concern on an accrual basis.

(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) Effective April 1 2018, the Company has adopted Ind AS 115 ‘ Revenue from Contracts with customers” using the cumulative catch up transition method, applied on contracts, if any, that were not completed as on April 1 2018. Accordingly, the comparative information in the statement of profit and loss has not been restated. There is no impact of adoption of the standard on the financial statement.

(ii) Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes, Goods & Service Taxes.

(iii) 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 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.

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 separate financial statements.

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.

Notes to Financial Accounts — *Contd.*

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 recognized as an asset in the Balance Sheet.

e) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

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

Notes to Financial Accounts — *Contd.*

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.

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 Section133 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.

Notes to Financial Accounts — *Contd.*

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.

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 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. 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

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

(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,

P) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to rupees in lacs with two decimalsas per the requirement of Schedule III, unless otherwise stated.

Notes to Financial Accounts — *Contd.*

3
NEW STANDARDS / AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases, and related interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS116 is annual reporting periods beginning on or after April 1, 2019. The Company proposes to use the Modified Retrospective Approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Company will be using certain practical expedients that are available.

Currently, the operating lease expenses are charged to the Statement of Profit and Loss.

The Company is evaluating its effect on the financial statements.

Ind AS 12, Income Taxes:

On March 30, 2019, MCA issued amendments to the guidance in Ind AS12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment in its financial statements.

On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while determining the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company proposes to retrospectively adjust the cumulative effect of application of Appendix C in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment in its financial statements.

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.

(i) The company has not commenced any construction / operation of the hotel on the freehold land at Thekkady having a cost of Rs. 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.

Notes to Financial Accounts — *Contd.*

5
PROPERTY, PLANT AND EQUIPMENT

₹ in Lacs

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at 31 March, 2018
	Deemed cost as at 1 April 2017	Additions during the year	Sales/ adjustment during the year	Balance as as on 31 March, 2018	As at April 1, 2017	For the Year	Less: Sales/ Adjust- ments	As at Mar 31, 2018	
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**
	-	-	-	-	-	-	-	-	-
	Gross carrying amount				Accumulated Depreciation				Carrying Value As at 31 March, 2019
	Balance as at 1 April 2018	Additions during the year	Sales/ adjustment during the year	Balance as as on 31 March, 2019	As at April 1, 2018	For the Year	" Less: Sales/	As at Mar 31, 2018	
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 (2018 - ₹ Nil)

* Refer para (i) in Note 4

Notes to Financial Accounts — *Contd.*

6
TRADE RECEIVABLES
(Unsecured, Considered Good)

		₹ in Lacs
	As at March 31, 2019	As at March 31, 2018
Receivable from related parties - [EIH Limited - The Holding Company]	**0.22**	0.19
	0.22	0.19

7
CASH AND CASH EQUIVALENTS

Balances with banks		
Current account	**0.71**	0.60
	0.71	0.60

8
OTHER FINANCIAL ASSETS
(Unsecured, Considered Good)

Security Deposits	**18.35**	16.64
	18.35	16.64

9
CURRENT TAX ASSETS (NET)

Income Tax provision (net of advance tax)		
Opening balance	**0.13**	(0.05)
Current tax payable for the year	**1.11**	1.33
Refund received for prior periods*	**-**	-
Taxes paid for the current year	**1.42**	1.44
Taxes paid for the prior periods in the current year	**-**	0.07
	0.44	0.13

10
OTHER CURRENT ASSETS
(Unsecured, Considered Good)

Goods & Service Tax Adjustable	**0.51**	0.29
	0.51	0.29

Notes to Financial Accounts — *Contd.*

11
EQUITY SHARE CAPITAL

	As at March 31, 2019	As at March 31, 2018
		₹ in Lacs
AUTHORISED		
10,000,000 (2018 - 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 (2018 - 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

₹ In Lacs

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	**Amount**	Number of shares	Amount
Number of shares at the beginning of the year	**27,20,007**	**272.00**	27,20,007	272.00
Add/Less: Movement during the year	**-**	**-**	-	
Number of shares at the end of the year	**27,20,007**	**272.00**	27,20,007	272.00

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

	As at March 31, 2019		As at March 31, 2018	
	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 [formerly known as Tourist Resorts (Kerala) Limited]	**544,000**	**20.00%**	544,000	20.00%

(iii) Shares of the company held by holding company:

	As at March 31, 2019	As at March 31, 2018
EIH Limited	**2,176,000**	2,176,000

Notes to Financial Accounts — *Contd.*

12
OTHER EQUITY

₹ in Lacs

	As at March 31, 2019	As at March 31, 2018
Reserves and Surplus		
Retained Earnings *	**(81.00)**	(81.89)
	(81.00)	(81.89)

* Retained Earnings

Opening Balance	**(81.89)**	(82.22)
Add: Profit for the year as per Statement of Profit & Loss	**0.89**	0.33
	(81.00)	(81.89)

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

Security Deposits (From EIH Limited - The Holding Company)	**10.27**	9.25
	10.27	9.25

Notes to Financial Accounts — *Contd.*

14
DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2019	As at March 31, 2018
		₹ In Lacs
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	**0.30**	0.29
Total deferred tax liabilities (B)	**0.30**	0.29
Deferred tax liabilities (net) (B-A)	**0.30**	0.29

Movement in deferred tax liabilities

	Security Deposits measured at fair value
As at 31 March, 2017	**0.29**
(Charged)/Credited:	
- to profit and loss	**-**
As at 31 March, 2018	**0.29**
(Charged)/Credited to profit and loss *	**0.01**
As at 31 March, 2019	**0.30**

15
OTHER NON CURRENT LIABILITIES

	As at March 31, 2019	As at March 31, 2018
		₹ In Lacs
Deferred Rent Income - Security Deposit Liability	**3.48**	4.55
	3.48	4.55

Notes to Financial Accounts — *Contd.*

16
TRADE PAYABLES

	As at March 31, 2019	As at March 31, 2018
		₹ In Lacs
Trade payables	**0.89**	0.91
	0.89	0.91
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	**0.89**	0.91
	0.89	0.91

The Company has not received from parties any information/memorandum as required to be filed by suppliers / vendors with notified authority under Micro, Small & Medium Enterprises Act, 2006 claiming their status as Micro, Small & Medium Enterprises. As such, the Company does not owe any dues on account of principal amount together with interest and accordingly no additional disclosures are made. This has been relied upon by the Auditors.

17
OTHER FINANCIAL LIABILITIES

Security Deposits (From EIH Limited - The Holding Company)	**16.50**	14.97
	16.50	14.97

18
OTHER CURRENT LIABILITIES

Deferred Rent Income - Security Deposit Liability	**1.07**	1.07
Statutory Liabilities	**0.03**	0.01
	1.10	1.08

Notes to Financial Accounts — *Contd.*

19
OTHER INCOME

₹ in Lacs

	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Rental Income [From related party - The Holding Company]	**6.99**	6.83
Rental Income on Security Deposit	**1.07**	1.07
Other gains/(losses) :		
(i) Provisions & liabilities no longer required, written back	**0.37**	-
	8.43	7.90

20
FINANCE COSTS

Interest Expense	**1.02**	0.92
	1.02	0.92

21
OTHER EXPENSES

Electricity & Water	**0.01**	0.02
Lease Rental	**1.83**	1.68
Legal & Professional	**0.86**	0.89
Rates & Taxes	**0.05**	0.20
Expenses for contractual services	**2.32**	2.20
Printing & Stationery	**0.02**	-
Passage & Travelling	**0.01**	0.01
Postage, Telephone, etc.	**-**	0.02
Auditors' Remuneration (Refer Note below)	**0.30**	0.30
	5.40	5.32

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

Notes to Financial Accounts — *Contd.*

22
TAX EXPENSE

		₹ In Lacs
	Year Ended 31 March, 2019	Year Ended 31 March, 2018
(a) Tax expense		
Current tax		
Current tax on profits for the year	**1.11**	1.33
Total current tax expense	**1.11**	1.13
Deferred tax		
Decrease (increase) in deferred tax assets	**-**	-
(Decrease) increase in deferred tax liabilities	**0.01**	- *
Total deferred tax expense	**0.01**	-
Total tax expense	**1.12**	1.33

* 2018 - ₹ 0.001 lacs

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before tax expense	**2.01**	1.66
Tax at the rate of 25.75% (F.Y. 2017-18 – 25.75%)	**0.52**	0.43
Tax effect of amounts which are not deductible in calculating taxable income:		
Others (Disallowed Expenses)	**0.60**	0.94
Rate change considered for deferred tax		
Rate change on movement during the year	**-**	(0.04)
Other differences		
Tax for earlier year charged to statement of Profit & Loss	**-**	-
Tax expense as per Income Tax	**1.12**	1.33

Notes to Financial Accounts — *Contd.*

23
FAIR VALUE MEASUREMENTS
Financial instruments by category

	As at March 31, 2019 Amortised cost	As at March 31, 2018 Amortised cost
		₹ In Lacs
Financial assets		
Trade Receivables (receivable from related parties)	**0.22**	0.19
Cash and cash equivalents	**0.71**	0.60
Security deposits - other financial assets	**18.35**	16.64
Total financial assets	**19.28**	17.43
Financial liabilities		
Other Non Current Financial Liabilities - Security Deposits (From EIH Ltd - The Holding Company)	**10.27**	9.25
Trade payables	**0.89**	0.91
Other Financial Liabilities - Security Deposits (From EIH Ltd - The Holding Company)	**16.50**	14.97
Total financial liabilities	**27.66**	25.13

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.

Notes to Financial Accounts — *Contd.*

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.

(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.

Notes to Financial Accounts — *Contd.*

Contractual maturities of financial liabilities: ₹ In Lacs

		Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
31 March 2019					
Non-derivatives					
Security Deposits (from EIH Ltd - the Holding Company) - Current		16.50	Nil	Nil	16.50
Security Deposits (from EIH Ltd - the Holding Company) - Non Current		Nil	Nil	10.27	10.27
Trade payables		0.89	Nil	Nil	0.89
Total non-derivative liabilities		17.39	-	10.27	27.66
Contractual maturities of financial liabilities:					₹ In Lacs
31 March 2018 **Non-derivatives**					
Security Deposits (from EIH Ltd - the Holding Company) - Current		14.97	Nil	Nil	14.97
Security Deposits (from EIH Ltd - the Holding Company) - Non Current		Nil	Nil	9.25	9.25
Trade payables		0.91	Nil	Nil	0.91
Total non-derivative liabilities		15.88	-	9.25	25.13

(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 Accounts — *Contd.*

26
OBEROI KERALA HOTELS AND RESORTS LIMITED

Related Party Transactions

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. P.R.S. Oberoi - Director of the Company
Mr. S.S. Mukherji - Director of the Company
Mr. T. K. Sibal- Director of the Company
Mr. Vikram Oberoi - Wholetime Director of the Parent Company
Mr. Arjun Oberoi - 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 Investments N.V.
EIH Management Services B.V.
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud

Associate / Joint Venture of Parent Company

EIH Associated Hotels Limited
Mercury Car Rentals Private Limited
Usmart Education Limited (upto 07.08.18)
Mercury Travels Limited (upto 07.08.18)
Oberoi Mauritius Ltd.
Island Resort Ltd.

Joint Venture Partner

Kerala Tourism Infrastructure Limited
(formerly known as Tourist Resorts (Kerala) Limited)

26.2 The details of the related parties transactions entered into by the company during the year ended March 31, 2019 and March 31, 2018 are as follows :

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
INCOME						
License Agreement						
EIH Limited	8.08	7.82	-	-	-	-
Total	**8.08**	**7.82**	**-**	**-**	**-**	**-**

Notes to Financial Accounts — *Contd.*

FINANCE PAYMENTS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Trident Cochin					-	0.28
RECEIPTS						
Security Deposit						
EIH Limited	1.53	-	-	-	-	-
Total	1.53	-	-	-	-	0.28

26.3 The details of amounts due to or due from related parties (unamortised) as at March 31, 2019 and March 31, 2018 are as follows:

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
PAYABLES						0.28
RECEIPTS						
Security Deposit						
EIH Limited	32.50	30.97-	-	-	-	-
Total	32.50	30.97	-	-	-	-
RECEIVABLES						
For Goods & Services						
EIH Limited	0.22	0.19	-	-	-	-
Total	0.22	0.19	-	-	-	-

26.4 There are no other transactions with Fellow Subsidiaries, Associates / Joint Ventures and Key Management personnel

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(i) Assets on Operating Lease- Lessee
The Company has entered into operating 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. The lease agreements are generally renewable by mutual consent on mutually agreeable terms. The company has incurred ₹ 1.83 lacs during the year (2018- ₹ 1.68 lacs) towards expenditure on operating lease arrangements.

(ii) Assets given on Operating Lease-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.

28

Events occurring after the reporting period
There is no material event after reporting date which is required to be reported under Ind AS 10.

29

Segment Reporting
The company is yet to commence operations. There is no reportable segment as per Ind AS 108.

30

Offsetting financial assets and financial liabilities
No offsetting has been done by the company.

Notes to Financial Accounts — *Contd.*

31

Assets pledged as security

No asset has been pledged by the company.

32

Contingent Liabilities and Commitments

There are no contingent liabilities and capital commitments.

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EARNINGS PER SHARE

		₹ **In Lacs**
	Year Ended 31 March, 2019	Year Ended 31 March, 2018
(a) Basic and diluted earnings per share attributable to the equity holders of the company	**0.033**	0.012
(b) Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share:	**0.89**	0.33
(c) Weighted average number of shares used as the denominator		
	31 March, 2019 Number of shares	31 March, 2018 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

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The previous year's figures have been regrouped, rearranged 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.

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The Financial Statements were approved for issue by the Board on 17th May, 2019.

For and on behalf of the Board

P.R.S. OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 17th May, 2019

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

EIH FLIGHT SERVICES LTD

BOARD OF DIRECTORS

Mr. P. R. S. Oberoi
Mr. S.S. Mukherji
Mr. Zafar Siamwala
Mrs. Véronique Magny-Antoine

SECRETARY

Abax Corporate Administrators Ltd.
6th Floor, Tower A
1, Cyber City
Ebène
Mauritius

AUDITORS

PricewaterhouseCoopers
18, Cyber City
Ebène
Mauritius

REGISTERED OFFICE

The Oberoi Mauritius
Baie aux Tortues
Pointe aux Piments
Mauritius

All figures in Mauritian Rupees unless otherwise stated

Directors Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2019.

PRINCIPAL ACTIVITES
The principal activity of the Company is the provision of catering services to airlines.

REVIEW OF THE BUSINESS
The Company's profit for the year is Rs 40,041 (2018 -Rs 25,308,813).
The Directors do not recommend the payment of a dividend for the year under review (2018 - Rs Nil).

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
The financial statements of the Company for the year ended 31 March 2019 are set out on pages **190 to 227. The independent auditor's report on these financial statements is on pages 186 to 188.**

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.

Directors Report ... *Contd.*

AUDITOR

The fees paid to the auditor, PricewaterhouseCoopers, for audit and tax compliance services were:

	2019	2018
	Rs.	Rs.
Audit	**420,000**	420,000
Tax compliance services	**42,000**	42,000
Other services	**152,000**	42,000
	614,000	504,000

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 22 April 2019
and signed on its behalf by:

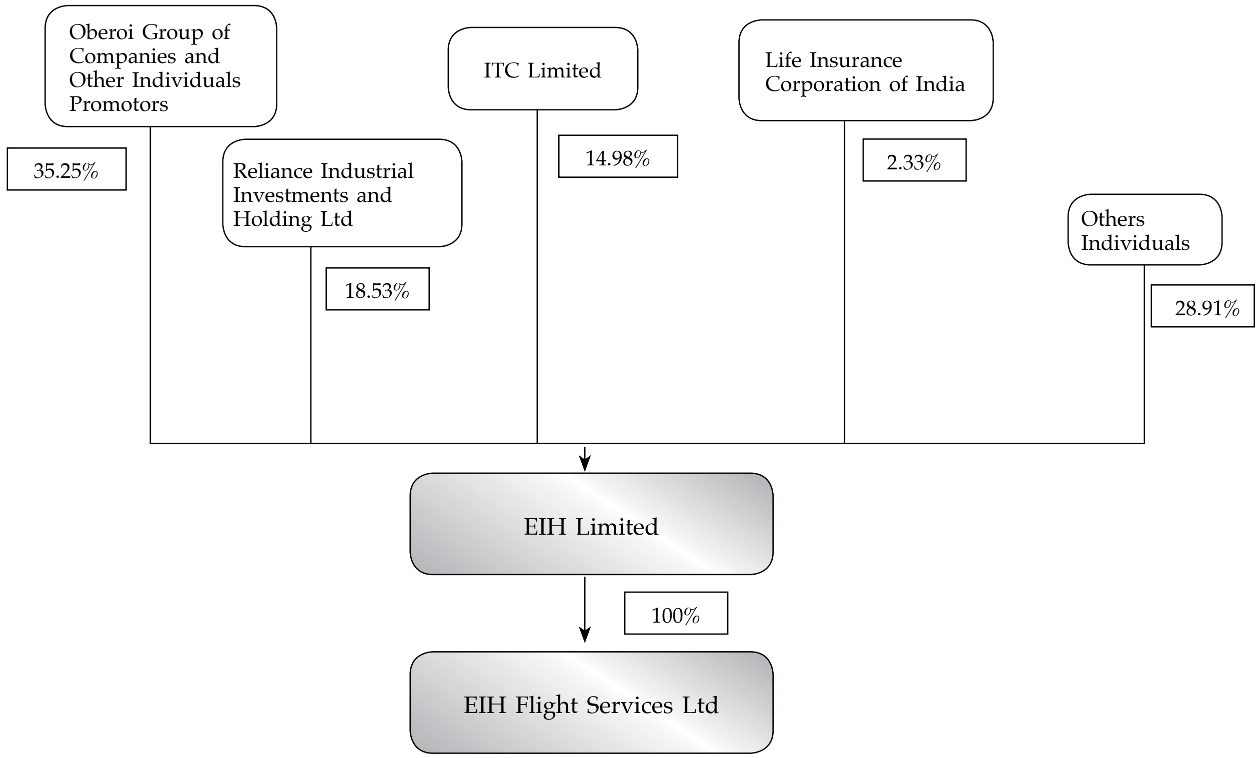
S.S. Mukherji
Véronique Magny-Antoine

Directors

Corporate Governance Report

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 / Companies	Mr. Prithivi Raj Singh Oberoi	Mr. Shib Sanker Mukherji	Mr. Zafar Siamwala	Mrs. Véronique Magny-Antoine	Mrs. Isabelle Adrien (Alternate to Mrs Véronique Magny-Antoine)
EIH Limited	✓	✓			
Oberoi Hotels Private Limited	✓				
Oberoi Holdings Private Limited	✓				
Oberoi Investments Private Limited	✓	✓			

Mr Prithivi Raj 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 31 March 2019.

Corporate Governance Report *(Continued)*

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 31 March 2019 and at the date of this report:
Mr Prithviraj Singh Oberoi
Mr Shib Sanker Mukherji
Mr Zafar Siamwala (Chairperson)
Mrs Veronique Magny-Antoine
Mr Zafar Siamwala (Alternate to Mr Prithviraj Singh Oberoi)
Mrs Isabelle Adrien (Alternate to Mrs Veronique Magny-Antoine)

DIRECTORS' PROFILE

Mr. P. R. S. Oberoi (appointed on 29 June 2007)

Mr. P.R.S. Oberoi is the Executive Chairman ofThe 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 29 June 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 47 years of working experience in the hospitality industry. He was appointed as Deputy Managing Director in 1998, then promoted as Managing Director. Mr Mukherji is now the Executive Vice Chairman of EIH Limited since 1 April 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 30 years of working experience with the Oberoi Group. He was initially in the finance department and has moved to the operations department since 1995.

Corporate Governance Report *(Continued)*

Mrs Veronique Magny-Antoine (appointed on 03 January 2007)

Mrs Veronique Magny-Antoine is a Client Director at Ocorian Corporate Services (Mauritius) Limited (OCORIAN). She is an Associate member of the Institute of Chartered Secretaries and Administrators (UK). From 1997 to 2006, she was a senior consultant at PricewaterhouseCoopers Mauritius, where she was also acting as company secretary for a large portfolio of companies, including public listed companies. Veronique also serves as Director on the Board of several Global Business companies and domestic companies.

Mrs Isabelle Adrien (Alternate to Mrs Veronique-Magny Antoine) (Appointed on 24 July 2014)

Mrs Isabelle Adrien is a Senior Manager of Governance & Board Services at Ocorian Corporate Services (Mauritius) Limited (OCORIAN). She is also an Associate of the Institute of Chartered Secretaries and Administrators (UK). She has over 20 years' professional experience dealing with company secretarial matters for companies across a wide range of industries, including listed companies. Isabelle joined ABAX in January 2009. She has experience in delivering services both to domestic and Global Business companies.

MEETINGS HELD IN 2018

The Board met three times during the year 2018.

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 1.59% 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, except for Mrs Veronique Magny-Antoine who is a representative of Ocorian Corporate Services (Mauritius) Limited ('Ocorian') Ocorian is paid a fee for procurement of Director and accounting services provided to the Company.

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.

Corporate Governance Report *(Continued)*

PROFILE OF SENIOR MANAGEMENT TEAM

Mr Samar Kumar - Chief Accountant (appointed on 01 March 2017)

Mr Samar Kumar is the Chief Accountant of the Company. He has an experience of more than 30 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 Jasbir Singh Bajwa - Manager (appointed on 02 April 2017 and transferred on 15 September 2018)

Mr. Jasbir Singh is the Manager of the Company. He has an experience of more than 30 years in the hospitality industry (Flight Catering). He started his career with the Taj Group and was with them for 27 years. He then moved to the Gate Group (a Zurich based Company) for 2 years and then joined the Oberoi Group and has been with them for the last 2 years. He holds a Degree in Bachelor Science. He is a Certified Lead Auditor for ISO 9001 and also has HACCP certification.

Mr Karthik Sukumar - General Manager (appointed on 1 September 2018)

Mr Karthik Sukumar is the General Manager of the Company. He has more than 23 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.

Corporate Governance Report *(Continued)*

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 2019 (2018 - Nil).

POLITICAL DONATIONS

The Company did not make any political donations during the year ended 31 March 2019 (2018 - 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 summarizes 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.

Corporate Governance Report *(Continued)*

(e) Minimising adverse impact on the environment by constantly adopting improvements in available technology.

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 31 March 2020 is as follows:

	Events	Dates
1.	Quarterly Board meetings	April 2019 July 2019 October 2019 January 2020
2.	Annual Meeting	May 2019

Authorised for issue by the Board of Directors on and signed on its behalf by:

S.S. Mukherji
Véronique Magny-Antoine } *Directors*

SECRETARY'S CERTIFICATE

UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We confirm, as secretary of the Company, that based on records and information made available to us by the Directors and Sole Shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 March 2019, all such returns as are required of the Company under the Mauritian Companies Act 2001.

OCORIAN CORPORATE ADMINISTRATORS LIMITED
COMPANY SECRETARY

Date: 22 April 2019

Independent Auditor's Report

To the Shareholders 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 31 March 2019, 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 page 191 to 228 comprise:

- the statement of financial position as at 31 March 2019;
- 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, comprising 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 Compa ny in accorda nce with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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.

Independent Auditor's Report *(Continued)*

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 prepa ration 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.

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.

Independent Auditor's Report *(Continued)*

- 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 ma nner 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 — John Li How Cheong, licensed by FRC

23 April 2019

Statement of Comprehensive Income for the year ended 31 March 2019

(Expressed in Mauritian Rupees)

	2019 Rupees	2018 Rupees
Revenue from contracts with customers (Note 5)	**272,411,837**	265,749,855
Cost of Sales	**(135,416,094)**	(143,435,551)
Gross Profit	**136,995,743**	122,314,304
Management expenses (Note 6)	-	(9,863,321)
Administrative expenses	(115,222,863)	(101,853,533)
Operating profit/(loss) (Note 7)	**21,772,880**	10,597,450
Finance income/(costs) - Net (Note 9)	**(27,811,319)**	3,556,989
(Loss)/ profit before income tax	**(6,038,439)**	14,154,439
Income tax credit (Note 10)	**6,078,480**	11,154,374
Profit/(loss) for the year	**40,041**	25,308,813
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefits obligations (Note 20(d))	**203,000**	412 ,000
Total other comprehensive income for the year	**203,000**	412 ,000
Total comprehensive income for the year	**243,041**	25,720,813

The notes to the financial statements on pages 193 to 227 are an integral part of these financial statements.

Statement of Financial Position as at 31 March 2019

(Expressed in Mauritian Rupees)

	2019 Rupees	2018 Rupees
ASSETS		
Non-Current Assets		
Property, plant and equipment (Note 12)	**253, 184,527**	**264,853,477**
Deferred income tax asset (Note 11)	**17,232,854**	**11,154,374**
	270,417,381	276,007,851
Current Assets		
Inventories (Note 13)	**5,693,868**	6,895,390
Trade and other receivables (Note 14)	**43,707,379**	42,631,930
Cash in hand and at bank (Note 15)	**3,176,416**	2,433,290
	52,577,663	51,960,610
Total Assets	**322,995,044**	**327,968,461**
EQUITY AND LIABILITIES		
Equity attributable to owners		
Share Capital (Note 16)	**690,440,066**	690,440,066
Accumulated losses	**(755,341,201)**	(755,381,242)
Other reserves (Note 17)	**476,000**	273,000
Shareholder's deficit	**(64,425,135)**	(64,668, 176)
Liabilities		
Non-Current Liabilities		
Borrowings (Note 19)	**312,346,554**	205,758,585
Retirement benefits obligations (Note 20)	**2,768,000**	2,366,000
	315,114,554	208, 124,585
Current Liabilities		
Trade and other payables (Note 18)	**48,557,975**	61,010,319
Borrowings (Note 19)	**23,747,650**	123,501,733
	72,305,625	184,512,052
Total Liabilities	**387,420, 179**	392,636,637
Total Equity and Liabilities	**322,995,044**	327,968,461

Authorised for issue by the Board of Directors on 24 April 2019
and signed on its behalf by:

S.S. Mukherji
Véronique Magny-Antoine
Directors

The notes to the financial statements on pages 193 to 227 are an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2019

(Expressed in Mauritian Rupees)

	Share Capital Rupees	Accumulated Losses Rupees	Other Reserves Rupees	Total Rupees
At 01 April 2017	**690,440,066**	(780,690,055)	(139,000)	(90,388,989)
Profit for the year	-	25,308 ,813	-	25,308,813
Other comprehensive income for the year	-	-	412,000	412,000
Total comprehensive income for the year	-	25,308,813	412,000	25,720,813
At 31 March 2018	690,440 ,066	(755,381,242)	273,000	(64,668,176)
Profit for the year	-	40,041	-	40,041
Other comprehensive income for the year	-	-	203,000	203,000
Total comprehensive income for the year	-	40,041	203,000	243,041
At 31 March 2019	**690,440,066**	**(755,381,242)**	**476,000**	**(64,425,135)**

The notes to the financial statements on pages 193 to 227 are an integral part of these financial statements.

Statement of Cash Flows
for the year ended 31 March 2019

	(Expressed in Mauritian Rupees)	
	2019	2018
	Rupees	Rupees
Cash flow from operating activities		
(Loss)/ profit before income tax	**(6,038,439)**	14,154,439
Adjustments for non-cash items:		
Depreciation on property, plant and equipment (Note 12)	**13,843,002**	14,316,362
Unrealised exchange (gain)/loss (Note 9)	**22,078**	(20,490,907)
Interest expense (Note 9)	**19,262,837**	18,490,567
Increase in retirement benefits obligations (Note 20 (c))	**605,000**	549,000
Extinguishment loss arising on loan modification (Note 27)	**8,717,500**	-
Write off property, plant and equipment (Note 12)	**166,355**	-
Operating profit before working capital changes	**36,578,333**	27,019,461
(lncrease)/decrease in inventories	**1,201,522**	(1,143,298)
Increase in trade and other receivables	**(1,075,449)**	(7,318,429)
lncrease/(decrease) in trade and other payables	**(12,452,344)**	11,869,424
Net cash generated from operating activities	**24,252,062**	**30,427,158**
Cash flow from investing activities		
Payment for purchase of property, plant and equipment (Note 12)	**(2,340,407)**	**(2,556,335)**
Net cash used in investing activities	**(2,340,407)**	**(2,556,335)**
Cash flow from financing activities		
Payment on financial lease liabilities	**(1,905,692)**	**(2,629,139)**
Interest on borrowings (Note 9)	**(19,262,837)**	(18,490,567)
Net cash used in financing activities	**(21,168,529)**	**(21,119,706)**
Net increase/(decrease) in cash and cash equivalents	**743,126**	6,751,117
Cash and cash equivalents at beginning of year	**2,433,290**	(4,317,827)
Cash and cash equivalents at end of year (Note 15)	**3,176,416**	2,433,290

Refer to Note 26 for Notes to Statement of cash flows.

The notes to the financial statements on pages 193 to 227 are an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2019

1. GENERAL INFORMATION

EIH Flight Services Ltd (the "Company") is a private company incorporated on 03 January 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 01 July 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

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with the Mauritian Companies Act 2001. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgements in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going concern

As at 31 March 2019, the Company was in a shareholder's deficit position of Rs 64,425,135 (2018 - Rs 64,668,176), in a net current liability position of Rs 19,727,962 (2018 - Rs 132,551,442) and for the year ended 31 March 2019, the Company has realised a profit of Rs 40,041 (2018 - Rs 25,308,813). However, for the year ended 31 March 2019, the Company has generated net cash inflows of Rs 24,252,062 (2018 - Rs 30,427, 158) from its operations. Moreover, the Company has a bank overdraft facility of Rs 25,000,000 to meet its day-to-day working capital requirements. At 31 March 2019, the overdraft balance was Rs Nil (2018 - Rs Nil). 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. Furthermore, the shareholder has confirmed to the Company that it will provide its financial support to the Company for at least the next twelve months. Thus, based on the validity of this assumption, the financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

(ii) Changes in accounting policy and disclosures

New and amended standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2018.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

The nature and the impact of each new standard or amendment relevant to the Company are described below:

IFRS 9 - Financial Instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014 . It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

The effect of the changes as a result of adoption of this new accounting standard has been disclosed in Note 27.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue. This replaces IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under previous standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licences, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

Rendering of services

The Company is involved in the provision of catering and ancillary services to airlines. Revenue is currently recognised upon delivery of food. Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling prices is determined based on the contract prices at which the Company sells the services in separate transactions . Based on the Company 's assessment, the fair value and the stand-alone selling prices of the services are broadly similar.

The application of these amendments had no impact on the Company's financial statements.

IFRIC 22- Foreign Currencv Transactions and Advance Consideration

The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability).

lf there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt.

Entities can choose to apply the interpretation:

- retrospectively for each period presented
- prospectively to items in scope that are initially recognised on or after the beginning of the reporting period in which the interpretation is first applied, or
- prospectively from the beginning of a prior reporting period presented as comparative information.

The application of these amendments had no impact on the Company's financial statements .

New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards , if applicable, when they become effective. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 16 Leases {effective for accounting periods beginning on or after 01 January 2019)

IFRS 16 was issued in January 2017 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Effective from 01 April 2019, the leasehold land currently accounted for under operating lease will be accounted similarly to finance lease under IAS 17, whereby the Company will recognise:

- The leasehold land as a non-current asset, on which no depreciation expense on the right-of-use asset will be recognised since land asset is not depreciated, because it is considered to have an infinite useful life; and
- A lease liability under borrowings, on which interest expense will be recognised.

The future aggregate minimum lease payments under non - cancellable operating leases related to the leasehold land is Rs 74,888,876, which discounted to its present value will amount to Rs 44,071,921 at a rate of 6.85% over a period of eight years.

Further to the above, the directors have accessed that an amount of Rs 44,071,921 will be recognised under asset and liability.

There are no other standards, amendments and interpretations that are not yet effective and that would be expected to have a material impact on the Company's financial statements in the current or future reporting periods and on foreseeable future transactions

(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 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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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	15.00%
Office equipment	33.00%
Motor vehicles	20.00%

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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. 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.

As at 31 March 2018, cost was determined using the first-in, first-out (FIFO) method. During the year under review, there has been a change in the valuation of inventory from FIFO to Average Cost (AVCO) Method.

According to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, changes in accounting policies must be applied retrospectively in the financial statements which means that the entity should implement the change in the valuation method as though it had always been applied. Consequently, the entity shall adjust all comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.

Management has assessed the impact from the change from FIFO to AVCO to be insignificant.

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.

(a) Classification and initial measurement

From 1 January 2018, IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and therefore 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 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 .

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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

From 1 April 2018, 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.

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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).

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 Impairment of financial assets.

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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 ElR. 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.

During the year under review, the Company has refinanced its borrowings by changing the denomination of the outstanding capital loan of USD 9,500,000 to Rs 333,000,000 resulting in a change in the terms of the loan. Consequently, the interest on the loan has changed from 3 months LIBOR plus 400 basis points per annum to a fixed interest rate of 4.85% per annum and the maturity date has been extended from June 2020 to June 2024.

Under IFRS 9, as the change in denomination and maturity led to a substantial modification of the terms of the existing loan, this refinancing is accounted for an extinguishment of the old debt instrument with gain or loss recorded in profit or loss. Terms of the loan are considered to be substantially modified when the net present value of the cash flows under the new terms discounted using the original effective interest rate differs by at least 10% from the present value of the remaining cash flows of the original terms.

The directors assessed that the 10% threshold has been exceeded and hence, the existing loan has been derecognised with the new loan recognised at fair value.

Therefore, as at 10 October 2018, the initial loan amount of USD 9,500,000 revalued at Rs 331,550,000 has been derecognised and new loan of Rs 333,000,000 has been booked.

(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 31 March 2019 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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

Accounting policies prior to IFRS 9 implementation

Financial instruments

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets are initially recognised on the trade date, which is the date when the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, trade and other payables and borrowings. The particular recognition methods adopted are disclosed below:

(a) Financial assets

Loans and receivables

All financial assets of the Company are classified as loans and receivables, based on the purpose for which those financial assets were acquired. The directors determine the classification of the financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised costs using the effective interest method (EIR), less any impairment losses.

The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of comprehensive income.

Financial assets are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables comprise of trade and other receivables and cash in hand and at bank.

(b) Financial liabilities

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Financial liability comprise of trade and other payables and borrowings.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(c) Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled , or expired.

(d) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

Leases

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

Company as lessee

The Company leases certain plant and equipment. Leases of plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges , are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Retirement benefit obligations

The retirement benefit obligation is recognised for obligations to provide post-employment benefits. Post employment 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.

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

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.

Accounting policy prior to IFRS 15 implementation

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue is recognised on delivery of food, net of value added tax and discount.

Expenses recognition

Expenses are accounted for in profit or loss on the accrual basis.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPALLING 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.

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 31 March 2019, a deferred tax asset of **Rs 17,232,854** (2018- Rs 11,154,374) has been recognised, and the unrecognised deferred tax asset amounted to **Rs 66,150,358** (2018- Rs 74,096,448) (Refer to Note 11 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).

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPALLING ACCOUNTING POLICIES

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 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).

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.

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.

As at 31 March 2019, the Company had no significant exposure to interest rate risk as interest prevailing on the bank borrowings varies as per the SBM Prime Lending Rate which has remained unchanged, interest on finance lease is fixed and bank overdraft balance is nil.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

As at 31 March 2018, the loan due to the bank bore interest of 3 months USD LIBOR plus 400 basis points per annum. During the year ended 31 March 2018, the effective interest rate on the loan was changed to 6.31%. Based on simulations performed, the impact on post-tax loss and net liabilities of a 1% shift in interest rates would be an increase/(decrease) of Rs 3,242,825.

(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 .

As at 31 March 2019 , 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 higher/lower by Rs 629,559 (2018 - Rs 31,685,980).

As at 31 March 2019, 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 274,727 (2018 - Rs 206,145).

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial Assets 2019 Rs.	**Financial Liabilities 2019 Rs.**	Financial Assets 2018 Rs.	Financial Liabilities 2018 Rs.
US dollar	**6,741,226**	**445,635**	**8,477,477**	**325,337 ,278**
Mauritian rupee	**34,961,858**	**384,062,112**	**31,612,863**	**64,009,642**
Euro	**2,747,272**		**2,061,452**	
	44,450,356	**384,507,747**	**42,151,792**	389,346,920

(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.

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

Trade receivables

The Company has trade receivables from different debtors in the airline industry and other industry (the "Debtors") amounting to **Rs 37,436,788** at 31 March 2019 (2018- Rs 35,267,474), 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.

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.

Based on an analysis of net remaining exposure on Debtors at 31 March 2017 and 2018, the following has been noted:

- Trade receivables at 31 March 2017 were settled within 90 days after year end, with the main Debtor (representing 37% of trade receivable) having settled its dues within 60 days.
- Trade receivables at 31 March 2018 were settled within 60 days after year end, with the main Debtor (representing 36% of trade receivable) having settled its dues within 60 days.
- Therefore, the remaining exposure at 31 March 2018 is Rs nil.

31 March 2019	**30 days Rs.**	**60 days Rs.**	**90 days** Rs.	**120 days** Rs.	**Total** Rs.
Trade receivables	**23,543, 105**	**12,828,107**	**1,065,576**		**37,436,788**
31 March 2018					
Trade receivables	**95,800**	**24,185,331**	**9,855,038**	**1,131,305**	**35,267,474**

The bulk of the trade receivable balances at 31 March 2019 are aged less than 60 days, which is within the historical settlement period of 60 days. Approximately 58% and 57% of the Company's sales during 2018 and 2019 respectively were from one customer.

The airline industry outlook for 2019 as per the International Air Transport Association (IATA) was considered and it was concluded that no further adjustments should be made to the ECL assessment on account of industry risk.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

The recent credit ratings by S&P Capital IQ in 2018 and 2019 were analysed and it was concluded that the outlook for all airlines companies rated is stable, the credit ratings range from BBB- to B+ and the default rates associated for the said ratings would theoretically range from 0.17% to 3.6% which is not considered as material.

Thus, on the above analysis and the industry outlook, the credit risk on trade receivables at 31 March 2018 and 2019 is very low and hence any expected credit loss would not be material.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual Receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other Receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these Receivables the estimated impairment losses were recognised in a separate provision for impairment. The Company considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the Debtor,
- probability that the Debtor will enter bankruptcy or financial reorganisation, and
- default or late payments.

(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.

	Less than 1 year Rs.	**Between 1 to 2 years Rs.**	**Between 2 to 5 years Rs.**	**Over 5 years Rs.**
At 31 March 2019				
Trade and other payables	**48,413,542**	**-**	**-**	**-**
Finance lease commitments	**1,418,208**	**907,019**	**936,420**	
Bank loans	**38,411,296**	**64,122,520**	**272,978,874**	**7,590,441**
	88,243,046	**65,029,539**	**273,915,294**	**7,590,441**

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

	Less than 1 year Rs.	Between 1 to 2 years Rs.	Between 2 to 5 years Rs.	Over 5 years Rs.
At 31 March 2018				
Trade and other payables	60,086,602	–	–	–
Finance lease commitments	2,180,685	1,402,125	1,753,762	89,678
Bank Loans	140,162,093	171,093,474	41,173,005	–
	202,429,380	**172,495,599**	**42,926,767**	**89,678**

The Company has trade and other receivables of Rs 41,273,940 (2018 - Rs 41,826,662) that are expected to be received within one year and cash in hand and at bank of Rs 3,176,416 (2018 - Rs 2,433,290). 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.

Financial instruments

(a) Categories of financial instruments

	2019 Financial assets at amortised cost Rs.	2018 Loans and Receivables Rs.
Financial assets		
Cash in hand and at bank	**3,176,416**	**2,433,290**
Trade and other receivables	**41,273,940**	**39,718,502**
Total assets	**44,450,356**	**42,151,792**

	2019 Financial liabilities at amortised cost Rs.	2018 Financial liabilities at amortised cost Rs.
Financial liabilities		
Borrowings	**336,094,204**	**329,260,318**
Trade and other receivables	**48,413,542**	**60,086,602**
Total liabilities	**384,507,746**	**389,346,920**

(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 financial leases, which bears interest at a fixed rate, is not significantly different from its fair value

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

The carrying amount and the fair value of the Company's borrowings are given below:

	31 March 2019 Carrying value Rs.	31 March 2019 Fair value Rs.	31 March 2018 Carrying value Rs.	31 March 2018 Fair value Rs.
Borrowings	333,000,000	304,632,281	324,282,500	300,905 ,355

The fair value of the loan are determined by using the DCF method using discount rate that reflect the issuer's borrowing rate as at end of the reporting period.

At 31 March 2019, 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 31 March 2019 and 2018 were as follows:

	2019 Rs.	2018 Rs.
Total borrowings	**336,094,204**	329,260,318
Less: Cash in hand and at bank	**(3,176,416)**	(2,433,290)
Net debt	**332,917,788**	326,827,028
Total Equity	**(70,503,615)**	(64,668,176)
Total Capital	**262,414,173**	262,158,852
Gearing ratio	**127%**	125%

The increase in the gearing ratio is due to the increase in borrowings from the effect of exchange rate fluctuations when the loan were denominated in USD and modification loss on the conversion to Mauritian Rupees. As per the agreement with the bank, the debt/equity ratio of the Company should be gradually reduced to at most 2:1. The bank has given the Company up to FY2025 to make the net equity position positive.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is based on the invoiced value net of Value Added Tax and discounts.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

6 MANAGEMENT EXPENSES

	2019	2018
	Rs.	Rs.
Management fees		
Basic management fees	**-**	7,972,496
Incentive fees	**-**	1,890,825
Total	**-**	9,863,321

Management Agreement (the "Agreement") was entered into between the Company and EIH Limited ("EIH"). Under the terms of the Agreement, the Company has agreed to pay EIH the following fees:

Management fees to EIH:

- Basic management fee - 3% of the Company's turnover; and
- Incentive management fee - 5% of the Company's gross operating profit as defined in the management incentive agreement.

Effective from 01 April 2018, the management fees payable to EIH have been discontinued as after 8 years of management support, all processes were in place at the catering unit and the latter was being run independently. Hence, the Company did not require further corporate assistance from EIH.

7. OPERATING PROFIT/ (LOSS)

	2019	2018
	Rs.	Rs.
The following items have been charged in arriving at the operating profit/(loss):		
Depreciation of property, plant and equipment (Note 12):		
– Owned assets	**11,757,053**	12,230,413
– Leased assets	**2,085,949**	2,085,949
Audit fees	**420,000**	420,000
Lease rental	**7,334,708**	7,335,089
Cost of inventories expensed (Note 13)	**116,618,389**	112,036,741
Staff costs (Note 8)	**70,449,689**	66,641,956
Transportation costs	**3,866,900**	3,800,200
Utilities	**17,742,326**	16,515,359
Repairs and maintenance	**4,211,762**	4,932,132
Retirement benefits expenses (Note 20 (c))	**605,000**	549,000

8. STAFF COSTS

	2019	2018
	Rs.	Rs.
Wages and Salaries	**67,603,291**	63,352,312
Social security costs	**2,846,398**	3,289,644
	70,449,689	66,641,956
	Number	Number
Average number of employees	**221**	232

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

9. FINANCE INCOME/(COSTS)

		2019 Rs.	2018 Rs.
(i)	*Income:*		
	Unrealised foreign exchange gains	5,708	20,490,907
	Realised foreign exchange gains	1,294,604	1,556,649
		1,300,312	**22,047,556**
(ii)	*Costs:*		
	Interest expense	**(19,262,837)**	(18,490,567)
	Extinguishment loss arising on loan modification	(8,717,500)	-
	Realised foreign exchange losses	(1,131,294)	-
		(29,111,631	(18,490,567)
	Net finance income/(cost)	**(27,811,319)**	3,556,989

10. TAXATION

The Company is liable to income tax at **15%** (2018 - 15%) and Corporate Social Responsibility tax of **2%** (2018 - 2%) on its chargeable income. At 31 March 2019, the Company had accumulated tax losses of **Rs 9,057,550** (2018 - Rs 27,310,198) 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%** (2018 - 17%) follows:

	2019 Rs.	2018 Rs.
Profit/(loss) before income tax	**(6,038,439)**	14,154,439
Tax at **17%** (2018-17%)	**(1,026,535)**	2,406,255
Impact of:		
Deferred tax asset not recognised	**2,455,190**	2,674,535
Expenses not deductible for tax	**1,674,295**	**-**
Income not subject to tax	-	(3,630,878)
Tax loss utilised	**(3,102,950)**	(1,449,912)
Deferred tax asset not previously recognised	**(6,078,480)**	(11,154,374)
Actual tax credit	**(6,078,480)**	(11,154,374)

The components of income tax for the years ended 31 March 2019 and 2018 are as follows:

Recognised in profit or loss

The components of income tax for the years ended 31 March 2018 and 2017 are as follows:

Recognised in profit or loss

	2019 Rs.	2018 Rs.
Deferred tax credit (Note 11)	**(17,232,854)**	(11,154,374)

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

Up to year ending	Tax losses Rs. 2019	Tax losses Rs. 2018
31 March 2019		13,660,030
31 March 2020		119,285
31 March 2021	**9,057,550**	13,530,883
Total	**9,057,550**	27,310,198

Tax losses of Rs nil (2018: Rs 20,499,840) have lapsed during the year under review. For the year ended 31 March 2019, the Company has a taxable profit of Rs 18,252,648 (2018: Rs 8,528,894), which has been offset against the accumulated tax losses.

11. DEFERRED TAX

	2019 Rs.	2018 Rs.
At 01 April	(11,154,374)	
Deferred tax credit recognised in profit or loss (Note 10)	**(6,078,480)**	(11,154,374)
At 31 March	**(17,232,854)**	(11,154,374)

At 31 March 2019, in accordance with the Company's accounting policy, a deferred tax asset of **Rs 17,232,854** (2018: Rs 11,154,374) has been recognised as there is probability that future taxable profits will be available to utilise these accumulated tax losses.

The recognised deferred tax balance relates to the following:

	Statement of financial position		**Statement of comprehensive income**	
	2019	**2018**	**2019**	**2018**
Tax loss utilised	1,539,784	4,378,162	(2,838,378)	4,378,162
Excess of depreciation over capital allowance	15,693,070	6,776,212	8,916,858	6,776,212
Deferred tax credit			6,078,480	11,154,374
Net deferred tax assets	17,232,854	11,154,374		

A deferred tax asset of **Rs 66,150,358** (2018: Rs 74,096,448) 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:

	2019 Rs.	2018 Rs.
Tax loss unutilised		
Exchange differences	**146,453**	147,423
Excess of depreciation over capital allowance	**65,533,345**	73,546,805
Retirement benefits costs	**470,560**	402,220
	66,150,358	74,096,448

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

The movement in unrecognised deferred tax assets is as follows:

	Tax loss unutilised Rs	Exchange differences Rs	Excess of depreciation over capital allowance Rs	Retirement benefits costs Rs	Total Rs
At 1 April 2018		147,423	73,546,805	402,220	74,096,448
Credit to income statement	2,838,378		(8,916,858)		(6,078,480)
Tax loss expired					
Movement during the year	(2,838,378)	(970)	903,398	68,340	(1,867,610)
At 31 March 2019		146,453	65,533,345	470,560	66,150,358

	Tax loss unutilised Rs	Exchange differences Rs	Excess of depreciation over capital allowance Rs	Retirement benefits costs Rs	Total Rs
At 1 April 2017	9,577,619	-	77,889,235	378,930	87,845,784
Credit to income statement	(4,378,162)	-	(6,776,212)	-	(11,154,374)
Tax loss expired	(5,199,457)	-	-	-	(5,199,457)
Movement during the year	-	147,423	2,433,782	23,290	2,604,495
At 31 March 2018	-	147,423	73,546,805	402,220	74,096,448

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings on leasehold land Rs.	Furniture, fittings & Other Equipment Rs.	Office Equipment Rs.	Motor Vehicles Rs.	Capital work in progress Rs.	Total Rs.
Cost:						
At 01 April 2017	346,226,197	337,091,328	4,288,588	47,179,365	-	734,785,478
Additions	2 ,311,947	49,461	28,572		166,355	2,556,335
At 31 March 2018	**348,538,144**	**337,140,789**	**4,317,160**	**47,179,365**	**166,355**	**737,341,813**
Additions	**2,091,035**	**249,372**	**-**	**-**	**-**	**2,340,407**
Write-off	**-**	**-**	**-**	**-**	**(166,355)**	**(166,355)**
At 31 March 2019	350,629,179	337,390,161	4,317,160	47,179,365	-	739,515,865
Accumulated depreciation:						
At 01 April 2017	(77,427,041)	(336,566,396)	(4,253,547)	(39,924,990)	-	(458,171,974)
Charge for the year	(11,550,403)	(574,393)	(39,197)	(2,152,369)	-	(14,316,362)
At 31 March 2018	(88,977,444)	(337,140,789)	(4,292,744)	(42,077,359)	-	(472,488,336)
Charge for the year	**(11,656,994)**	**(9,223)**	**(24,416)**	**(2,152,369)**	**-**	**(13,843,002)**
At 31 March 2019	**(100,634,438)**	**(337,150,012)**	**(4,317,160)**	**(44,229,728)**	**-**	**(486,331,338)**

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

Carrying Value:

At 31 March 2019	**249,994,741**	**240,149**	**-**	**2,949,637**	**-**	**253,184,527**
At 31 March 2018	**259,560 ,700**	**-**	**24,416**	**5, 102,006**	**166,355**	**264,853,477**

The buildings on leasehold land have been secured with a fixed charge against the borrowings of MUR 333,000,000 (2018 - USD 9,500,000) contracted from the State Bank of Mauritius Ltd. Details on borrowings are disclosed in Note 19.

Leased vehicles

	2019	2018
	Rs.	Rs.
Cost	**10,429,743**	10,429,743
Accumulated depreciation	**(7,666,993)**	(5,581,044)
	2,762,750	4,848,699

13. INVENTORIES

	2019	2018
	Rs.	Rs.
Food and beverage, at cost	**3,135,501**	4,603,479
Other consumables, at cost	**2,558,367**	2,291,911
	5,693,868	6,895,390

The cost of inventories recognised as expense and included in cost of sales amounted to **Rs 116,618,389** (2018 - Rs 112,036,741).

14. TRADE AND OTHER RECEIVABLES

	2019	2018
	Rs.	Rs.
Trade receivables	**37,436,788**	35,267,474
Prepayments	**555,331**	805,268
Taxes receivables	**1,878,108**	2,108,160
Other receivables	**3,837,152**	4,451,028
	43,707,379	42,631,930

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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

15 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following balance sheet amounts:

	2019 Rs.	2018 Rs.
Cash in hand and at bank	**3,176,416**	2,433,290
	3,176,416	2,433,290

In 2016, the Company had been granted an overdraft facility of Rs 25,000,000 . The overdraft facility has been renewed until 31 May 2019, secured against the following:

- 151 rank floating charge for Rs 25,000,000 on all assets of the Company
- Corporate guarantee of Rs 25,000,000 (2018: USD 9,500,000) given by the Company's shareholder.

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 5.85% (2018 : 8.10%).

16 SHARE CAPITAL

	2019 Number	2018 Number	2019 Rs	2018 Rs
Issued and fully paid:				
At 01 April and 31 March	69,044,006	69,044,006	690,440,066	690,440,066

The ordinary shares have been issued at Rs 10 each.

Rights and restrictions attached to ordinary shares:

(a) Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.

(b) Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

(c) 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.

17 OTHER RESERVES

	2019 Rs.	2018 Rs.
At 01 April	273,000	(139,000)
Remeasurement of post-employment benefits obligations (Note 20 (d)	203,000	412,000
At 31 March	476,000	273 ,000

Other reserves represent actuarial losses arising from the remeasurement of post-employment benefit obligations as at 31 March 2019, as disclosed in Note 20(d).

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

18 TRADE AND OTHER PAYABLES

	2019 Rs.	2018 Rs.
Trade payables	**37,704,674**	44,493,109
Amount payable to related party (Note 23(b))		9,863,321
Accruals	**10,708,868**	5,730,172
Social security and other taxes	**144,433**	923,717
	48,557,975	61,010,319

19 BORROWINGS

	2019 Rs.	2018 Rs.
Non-current:		
Bank borrowings (Note 19(a))	**310,500,000**	202,676,562
Finance lease commitments (Note 19(b))	**1,846,554**	3,082,023
	312,346,554	205,758,585
Current:		
Bank borrowings (Note 19(a))	**22,500,000**	121,605,938
Finance lease commitments (Note 19(b))	**1,247,650**	1,895,795
	23,747,650	123,501,733
Total borrowings	**336,094,204**	329,260,318

(a) Bank borrowings

	2019 Rs.	2018 Rs.
Less than one year	**22,500,000**	121,605,938
Later than 1 year and no later than 5 years	**303,000,000**	202,676,562
Later than 5 years	**7,500,000**	
	333,000,000	324,282,500
Current	**22,500,000**	121,605,938
Non-current	**310,500,000**	202,676,562
	333,000,000	324,282,500

The movement in the bank borrowings is attributable to loss of Rs 8,717,500 on extinguishment of previous loan denominated in USD.

As at 31 March 2018, the principal amount of bank borrowings of USD 9,500,000 was repayable within three years, in eight quarterly instalments of USD 1,187,500 starting from September 2018 and ending in June 2020. The bank borrowings bore interest at the rate of 3 months LIBOR plus 400 basis points per annum. The effective interest rate for the year ended 31 March 2018 was 6.31%.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

On 10 October 2018, the outstanding capital loan amount has been converted into a Mauritian Rupee loan of Rs 333,000,000. The principal amount of Rs 333,000,000 is repayable within six years, in twenty quarterly instalments, starting from September 2019 and ending June 2024, in amounts varying from Rs 7,500,000 to Rs 23,750,000 based on the financial year. Interest is charged on daily balances at 1% below the SBM Prime Lending Rate (which is currently 5.85%) with an all-in-rate of 4.85% per annum.

Interest is payable on a monthly basis. During the year ended 31 March 2019, the Company paid interest of Rs 18,994,716 (2018 - Rs 18,095,538) on the bank borrowings.

The borrowings of Rs 333,000,000 as at 31 March 2019 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.

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) Finance lease commitments

The present value of the finance lease liability is as follows:

	2019 **Rs.**	2018 Rs.
Less than one year	**1,247,650**	1,895,795
Later than 1 year and no later than 5 years	**1,846,554**	2,830,494
Later than 5 years		251,529
	3,094,204	4,977,818
Current	**1,247,650**	1,895,795
Non-current	**1,846,554**	3,082,023
	3,094,204	4,977,818

The finance lease commitments bear interest at the rates ranging from 5.24% to 8.95% and is repayable in the years from 2019 to 2023.

20 RETIREMENT BENEFITS OBLIGATIONS

	2019 **Rs.**	2018 Rs.
Non-current:		
Retirement benefits obligations	**2,768,000**	2,366,000

The Company has recognised a net benefit liability of Rs 2,768,000 (2018 - Rs 2,366,000) in its statement of financial position as at 31 March 2019 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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

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.

(a) A reconciliation of net defined benefit liability follows:

	2019	2018
	Rs.	Rs.
At 01 April	**2,366,000**	2,229,000
Amount recognised in Profit or Loss for current year	**605,000**	549,000
Amount recognised in Other Comprehensive Income	**(203,000)**	(412,000)
At 31 March	**2,768,000**	2,366,000

(a) A reconciliation of net defined benefit liability follows:

	2019	2018
	Rs.	Rs.
At 01 April	**2,366,000**	2,229,000
Current service cost	**475,000**	404,000
Interest expense	**130,000**	145,000
Liability experience gain	**(160,000)**	(395,000)
Liability gain due to change in financial assumptions	**(43,000)**	(17,000)
At 31 March	**2,768,000**	2,366,000

(c) Components of amount recognised in Profit & Loss:

	2019	2018
	Rs.	Rs.
Current service cost	**475,000**	404,000
Net interest expense on net defined benefit liability	**130,000**	145,000
	605,000	549,000

(d) Components of amount recognised in Other Comprehensive Income:

	2019	2018
	Rs.	Rs.
Liability experience gain	**(160,000)**	(395,000)
Net interest expense on net defined benefit liability	**(43,000)**	(17,000)
	(203,000)	(412,000)

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

Principal assumptions used at end of the year:

	2019 Rs.	2018 Rs.
Discount rate	**6.0%**	**5.5%**
Rate of salary increases	**3.4%**	**3.0%**
Average retirement age	**65**	65

Sensitivity analysis on defined benefits obligations at end of the reporting period:

	2019 Rs.	2018 Rs.
Increase due to 1% decrease in discount rate	**562,000**	513,000
Decrease due to 1% increase in discount rate	450,000	406,000

The above sensitivity analysis has been carried out by recalculating the present value of the obligation at 31 March 2019 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.

Future cash flows:

The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.

	2019 Rs.	2018 Rs.
Expected employer contribution for the next year	**127,000**	105,000
Weighted average duration of the defined benefits obligations	**18 years**	19 years

21 CONTINGENT LIABILITIES

Bank guarantees

At 31 March 2019, 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 31 March 2019, Expatriate Guarantee amounted to Rs 120,000 (2018 - Rs 130,000), Custom Guarantee amounted to Rs Nil (2018 - Rs 6,000,000), Performance Bond amounted to Rs Nil (2018 - Rs 360,000) and Govt Guarantee amounted to Rs 11,000,000 (2018 - Rs 5,000,000).

22 INCORPORATION, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Company is incorporated in Mauritius under the Companies Act 2001 on 03 January 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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

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) Purchases of services

	2019 Rs.	2018 Rs.
Immediate parent (management fees) (Note 6)		9,863,321

(b) Payable to immediate parent

	2019 Rs.	2018 Rs.
Amount due to immediate parent (Note 18)	-	9,863,321

The amount due to immediate parent is unsecured, interest free and was repaid during the year.

(c) Remuneration of key management personnel

	2019 Rs.	2018 Rs.
Salaries	**3,280,000**	2,755,000
Other short term employee benefits	**609,225**	587,400
	3,889,225	3,342,400

Key management personnel include the General Manager, Chief Accountant and Deputy Operations Manager.

(d) Fees paid to management entity of the Company

	2019 Rs.	2018 Rs.
Ocorian Corporate Administrators Limited		
Fees paid during the year	**522,560**	510,945

(e) 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 Veronique Magny-Antoine who is a representative of Ocorian Corporate Administrators Limited (previously known as Abax Corporate Administrators Ltd) ('Ocorian'). Ocorian is paid a fee for procurement of Director and accounting services provided to the Company (as disclosed under Note 23(d)).

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

24 IMMEDIATE AND ULTIMATE PARENT

The directors consider EIH Limited, a company incorporated in India, as its immediate and ultimate parent.

25 COMMITMENTS

Finance lease commitments

The future aggregate minimum lease payments under finance leases are as follows :

	2019 Rs.	2018 Rs.
Not later than 1 year	**1,418,208**	2,180,685
Later than 1 year and not later than 5 years	**1,843,439**	3,245,565
	3,261,647	5,426,250
Future finance charges	**(167,443)**	(448,432)
Present value of minimum lease payments	3,094,204	4,977,818

Finance lease arrangements relate to the following acquisitions required for operations in prior years:

- Two high-loaders; and
- One catering champ and two panel vans.

The carrying amount of assets on finance lease is disclosed in Note 12.

Operating lease commitments

The future aggregate minimum lease payments under non - cancellable operating leases related to the leasehold land are as follows:

	2019 Rs.	2018 Rs.
Not later than 1 year	**8,068,183**	7,334,712
Later than 1 year and not later than 5 years	**35,580,688**	33,886,369
Later than 5 years	**31,240,005**	41,002,507
	74,888,876	82,223,588

Operating lease commitments relate to the leasing of 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.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

(Expressed in Mauritian Rupees)

26 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.

		Cash changes		**Non-cash changes**			
	01 April 2018	Cash flows	Interest paid	Exchange difference	Interest expense	Loan modification loss	31 March 2019 Rs.
Bank overdraft/ (Net cash)	(2,433,290)	(743,126)					(3,176,416)
Liabilities arising from financing activities:							
Bank borrowings	324,282,500		(18,994,716)	7,267,500	18,994,716	1,450,000	333,000,000
Finance lease commitments	4,977,818	(1,905,692)	(268,121)	22,078	268,121		3,094,204
	326,827,028	(2,648,818)	(19,262,837)	7,289,578	19,262,837	1,450,000	332,917,788

		Cash changes		**Non-cash changes**		
	01 April 2017	Cash flows	Interest paid	Exchange difference	Interest expense	31 March 2018 Rs.
Bank overdraft/ (Net cash)	4,317,827	(6,751, 117)				(2,433,290)
Liabilities arising from financing activities:						
Bank borrowings	345,553,000		(18,095,538)	(21,270,500)	18,095,538	324,282,500
Finance lease commitments	6,827,364	(2,629,139)	(395,029)	779,593	395,029	4,977,818
	356,698,191	(9,380,256)	(18,490,567)	(20,490,907)	18,490,567	326,827,028

27 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments on the Company's financial statements.

IFRS 9 Financial Instruments

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 April 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

(a) *Classification and measurement*

The following notes explain the original classification and measurement categories under IAS 39 and the new classification and measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 April 2018.

(i) Trade and other receivables

Trade receivables and other receivables classified as Loans and receivables as at 31 March 2018 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 amortised cost beginning 1 April 2018.

(ii) Borrowings and trade and other payables

During the year under review, the Company has refinanced its bank borrowings by changing the denomination of its USD bank loan, interest rate and repayment terms.

On 10 October 2018, the Company's outstanding capital loan of USD 9,500,000 has been converted to a Mauritian Rupee loan of Rs 333,000,000. As a result, a fee of Rs 50,000 was paid, the interest on the loan has been changed from 3 months LIBOR plus 400 basis points per annum to a fixed interest rate of 4.85% per annum and the repayment term has been extended from June 2020 to June 2024.

Therefore, as at 10 October 2018, the initial loan amount of USD 9,500,000 revalued at Rs 331,550,000 has been derecognised and new loan of Rs 333,000,000 has been booked as disclosed in Note 2((iii)(b)(i)).

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.

(b) *Impairment of financial assets*

The financial assets of the Company that are subject to IFRS 9's new expected credit loss model are trade receivables arising from provision of catering services.

The Company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Company's retained earnings and equity is disclosed below.

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Notes to the Financial Statements for the year ended 31 March 2019 *(Contd.)*

As at 01 April 2018, no ECL was recognised and thus had no impact on the loss allowance and retained earnings of the Company as all trade receivables at 31 March 2018 and 2017 have been fully settled, in the respective financial year.

At 31 March 2019, taking into account the history of payment of the trade receivables over the last two years and that there were no bad debts or defaults, the trade receivables have a very low risk of defaults and hence no ECL was recognized.

28 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 31 March 2019.

EIH INTERNATIONAL 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 International Ltd and its controlled entities (the 'Group') as at 31 March 2019, 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

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 $327,965 (2018: profit of $2,495,445) for the Group and a profit of $2,313,703 (2018: profit of $388,980) for the Company, after provision for income tax expense of $645,184 (2018: $267,531) for the Group and $nil (2018: $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 $2,000,000 (2018: $nil) 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

21 May 2019 *Director*

Independent Auditor's Report

To the Members 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 2019;
- 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 2019, and their financial performance and their cash flows for the year then ended in accordance with Australian 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 Australian 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.

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

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.

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

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.

Adelaide
21 May 2019

ERNST & YOUNG

Statement of Comprehensive Income
For the year ended 31 March 2019

(Expressed in United States dollars)

	Note	Consolidated		Standalone	
		31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Continuing Operations					
Turnover	3	10,315,041	11,540,779	2,367,597	433,258
Cost of sales		(627,182)	(762,278)	-	-
Gross profit		**9,687,859**	**10,778,501**	**2,367,597**	**433,258**
Operating Expenses					
Other operating expenses		1,408,658	1,551,122	-	-
Payroll and related expenses		2,461,509	2,630,009	-	-
Administration and general expenses		2,667,742	2,395,192	46,017	44,116
Marketing expenses		513,079	609,039	-	-
Upkeep and service cost		1,103,851	1,449,595	-	-
Project development expenses		83,889	277,366	-	-
Provision for furniture, fixture and equipment		232,322	271,839	-	-
Other expenses		52,428	43,436	7,877	162
Depreciation and amortisation		1,389,345	1,285,159	-	-
Total Operating Expenses		**9,912,823**	**10,512,757**	**53,894**	**44,278**
Other Income/(Expense)					
Interest expense		-	-	-	-
Share of profit/(loss) of investments accounted for using the equity method		(722,018)	187,309	-	-
Other income/(expense)		1,264,201	2,309,923	-	-
Loss on disposal of fixed assets		-	-	-	-
Total Other Income/(Expense)		**542,183**	**2,497,232**	**-**	**-**
Profit/(loss) before taxation		**317,219**	**2,762,976**	**2,313,703**	**388,980**
Taxation (expense)/benefit	4	(645,184)	(267,531)	-	-
Profit/(loss) after taxation		**(327,965)**	**2,495,445**	**2,313,703**	**388,980**
Profit/(Loss) for the year is attributable to:					
Owners of the parent		(322,517)	2,434,275	2,313,703	388,980
Non-controlling interest		(5,448)	61,170	-	-
		(327,965)	**2,495,445**	**2,313,703**	**388,980**
Other comprehensive income/(loss)					
Profit/(loss) after taxation		**(327,965)**	**2,495,445**	**2,313,703**	**388,980**
Share of other comprehensive income/(loss) of Investments accounted for using the equity method		7,444	6,807	-	-
Re-measurement of employee benefits		(15,858)	(16,785)	-	-
Movement in foreign currency translation reserve		(77,634)	(1,757,826)	-	-
Total comprehensive income		**(414,013)**	**727,641**	**2,313,703**	**388,980**
Total comprehensive income/(loss) for the year is attributable to:					
Owners of the parent		(362,818)	694,548	2,313,703	388,980
Non-controlling interest		(51,195)	33,093	-	-
		(414,013)	**727,641**	**2,313,703**	**388,980**

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

Statement of Finaicial Position
As at 31 March 2019

(Expressed in United States dollars)

		Consolidated		Standalone	
	Note	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Non-Current Assets					
Property, plant and equipment	7	11,589,630	10,030,390	-	-
Intangibles assets	8	59,858,758	60,768,758	-	-
Deferred tax assets		250,505	211,391	-	-
Financial					
Amount due from related parties	9	6,490,521	15,145,516	4,038,145	6,460,807
Other assets		9,848	10,197	-	-
Non-Financial					
Investments	6	27,537,011	15,404,085	94,675,214	84,675,214
Other assets		516,716	541,205		-
Total Non-Current Assets		**106,252,989**	**102,111,542**	**98,713,359**	**91,136,021**
Current Assets					
Inventories		361,290	320,341	-	-
Financial					
Cash and cash equivalents	10	12,381,176	8,459,898	3,794,971	1,058,606
Receivable	11	623,850	1,026,713	-	-
Amount due from related parties	9	49,553	58,369	-	-
Non-Financial					
Other assets		425,544	438,588	-	-
Total Current Assets		**13,841,413**	**10,303,909**	**3,794,971**	**1,058,606**
Total Assets		**120,094,402**	**112,415,451**	**102,508,330**	**92,194,627**
Current Liabilities					
Financial					
Trade and other payables	12	2,931,563	2,851,666	50,000	50,000
Non-Financial					
Provision for taxation		244,510	170,826	-	-
Total Current Liabilities		**3,176,073**	**3,022,492**	**50,000**	**50,000**
Non-Current Liabilities					
Deferred tax liabilities		-	-	-	-
Employee benefits liabilities	13	1,045,406	986,023	-	-
Financial					
Amounts due to related parties		3,120,000	3,120,000	181,087	181,087
Total Non-Current Liabilities		**4,165,406**	**4,106,023**	**181,087**	**181,087**
Total Liabilities		**7,341,479**	**7,128,515**	**231,087**	**231,087**
Net Assets		**112,752,923**	**105,286,936**	**102,277,243**	**91,963,540**
Equity					
Share Capital	14	106,607,800	96,607,800	106,607,800	96,607,800
Retained Earnings		5,336,504	8,838,186	(4,330,557)	(4,644,260)
Translation reserve		(1,448,417)	(1,416,530)	-	-
Minority Interest	15	2,257,036	1,257,480	-	-
Total Equity		**112,752,923**	**105,286,936**	**102,277,243**	**91,963,540**

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 2019

(Expressed in United States dollars)

	Note	Consolidated				
		Share Capital $	**Translation Reserve $**	**Retained Earnings $**	**Non-Controlling Interest $**	**Total Equity $**
As at 1 April 2018	14	**96,607,800**	**(1,416,530)**	**8,838,186**	**1,257,480**	**105,286,936**
Issued during the year		10,000,000	-	-	-	
Translation reserve		-	(31,887)	-	(45,747)	(77,634)
Profit for year		-	-	(322,517)	(5,448)	(327,965)
Other Comprehensive income		-	-	(8,414)	-	(8,414)
Minority Interest Adjustment		-	-	(1,170,751)	1,170,751	-
Dividend paid		-	-	(2,000,000)	(120,000)	(2,120,000)
As at 31 March 2019	14	**106,607,800**	**(1,448,417)**	**5,336,504**	**2,257,036**	**112,752,923**

	Note	Consolidated				
		Share Capital $	**Translation Reserve $**	**Retained Earnings $**	**Non-Controlling Interest $**	**Total Equity $**
As at 1 April 2017	14	**96,607,800**	**313,219**	**6,413,889**	**1,344,387**	**104,679,295**
Issued during the year		-	-	-	-	-
Translation reserve		-	(1,729,749)	-	(28,077)	(1,757,826)
Profit for year		-	-	2,434,275	61,170	2,495,445
Other Comprehensive income		-	-	(9,978)	-	(9,978)
Dividend paid		-	-	-	(120,000)	(120,000)
As at 31 March 2018	14	**96,607,800**	**(1,416,530)**	**8,838,186**	**1,257,480**	**105,286,936**

Statement of Changes in Equity *(Contd...)*
For the year ended 31 March 2019

(Expressed in United States dollars)

	Note	Standalone Share Capital $	Standalone Retained Earnings $	Standalone Total Equity $
As at 1 April 2018	**14**	**96,607,800**	**(4,644,260)**	**91,963,540**
Shares issued		10,000,000	-	10,000,000
Profit for year		-	2,313,703	2,313,703
Other Comprehensive income		-	-	-
Dividend paid		-	(2,000,000)	(2,000,000)
As at 31 March 2019	**14**	**106,607,800**	**(4,330,557)**	**102,277,243**

	Note	Standalone Share Capital $	Standalone Retained Earnings $	Standalone Total Equity $
As at 1 April 2017	**14**	**96,607,800**	**(5,033,240)**	**91,574,560**
Shares issued		-	-	-
Profit for year		-	388,980	388,980
Other Comprehensive income		-	-	-
Dividend paid		-	-	-
As at 31 March 2018	**14**	**96,607,800**	**(4,644,260)**	**91,963,540**

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 2019

(Expressed in United States dollars)

	Consolidated		Standalone	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Cash flows from operating activities				
Profit/(Loss) before taxation	317,219	2,762,976	2,313,703	388,980
Adjustment for:				
Depreciation	1,389,345	1,285,159	-	-
Share of associates net (profit) / loss	722,018	(187,309)	-	-
Interest income	(454,519)	(554,010)	(300,045)	(365,706)
Dividend received	-	-	(2,067,552)	(67,552)
Impact of foreign currency translation	68,150	(1,699,728)	-	-
(Increase)/Decrease in assets:				
Decrease/(Increase) in receivables	17,595	(284,400)	-	-
Decrease/(Increase) in inventories	(51,926)	28,899	-	-
Decrease/(Increase) in prepayments	30,342	27,046	-	-
(Decrease)/Increase in liabilities:				
(Decrease)/Increase in payables	12,023	54,127	-	-
(Decrease)/Increase in provision	405,094	424,103	-	-
Cash generated from/(used by) operations	**2,455,341**	**1,856,863**	**(53,894)**	**(44,278)**
Interest paid	-	-	-	-
Taxes paid	548,692	281,514	-	-
Net cash flows (used by)/from operating activities	**1,906,649**	**1,575,349**	**(53,894)**	**(44,278)**
Cash flows from investing activities				
Dividend received	-	-	2,067,552	67,552
Acquisition of fixed assets	(1,883,502)	(1,640,831)	-	-
Purchase of furniture, fixtures and equipment from provision for furniture, fixtures and equipment	(94,446)	(46,294)	-	-
Payment for acquisition of investments	-	-	-	-
Other non-current assets	(12,847,500)	-	(10,000,000)	-
Interest received	(107,737)	-	-	-
Dividend paid to related party	-	-	-	-
Dividend paid to minority interest	(2,000,000)	-	-	-
Net cash flows from/(used by) investing activities	(120,000)	(120,000)	-	-
Net cash flows from/(used by) investing activities	**(17,053,185)**	**(1,807,126)**	**(7,932,448)**	**67,552**
Cash flows from financing activities				
Proceeds from issuance of shares	10,000,000	-	10,000,000	-
Proceeds from related party borrowings	9,067,814	-	2,722,707	-
Loans to related party	-	(294,000)	-	-
Repayment of bank loans	-	-	-	-
Dividend paid	-	-	(2,000,000)	-
Net cash flows from financing activities	**19,067,814**	**(294,000)**	**10,722,707**	**-**
Net increase/(decrease) in cash and cash equivalents	3,291,278	(525,777)	2,736,365	23,274
Cash and cash equivalents at beginning of year	8,459,898	8,985,675	1,058,606	1,035,332
Effect of exchange rate changes on cash balances	-	-	-	-
Cash and cash equivalents at end of year (Note 10)	**12,381,176**	**8,459,898**	**3,794,971**	**1,058,606**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements For the year ended 31 March 2019

1. Corporate information

The financial report of EIH International Ltd and its controlled entities (the "Group") for the year ended 31 March 2019 was authorised for issue on 21 May 2019.

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

The following accountant standards became effective for the first time during the period:

IFRS 15 Revenue from Contracts with Customers

A new revenue standard applies to every industry across every business for annual reporting periods beginning on or after 1 January 2018. For EIH International Ltd the new standard will apply for the year ended 31 March 2019.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

➢ Step 1: Identify the contract(s) with a customer;

➢ Step 2: Identify the performance obligations in the contract;

➢ Step 3: Determine the transaction price;

➢ Step 4: Allocate the transaction price to the performance obligations in the contract;

➢ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Management have assessed the impact of the new standard and believe the impact on the year-end report to be immaterial.

IFRS 9 Financial Instruments

A new financial instrument standard applies to annual reporting periods beginning on or after 1 January 2018. For EIH International Ltd the new standard will apply for the year ended 31 March 2019.

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

Management have assessed the impact of the new standard and believe the impact on the year-end report to be immaterial.

Notes fo the Financial Statements *(Contd.)*
For the year ended 31 March 2019

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 2019 (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 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.

Notes fo the Financial Statements *(Contd.)*
For the year ended 31 March 2019

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 available-for-sale 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. Similarly, parent entity investments in subsidiaries are recorded at cost less provision for any permanent diminution in value. The group does not intend to dispose its available-for-sale 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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

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.

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

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

- 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 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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

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 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.

Post-employment benefits

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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

– 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.

– 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

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

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.

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 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Hotel revenues	7,744,107	9,061,266	-	-
Hotel management fees	1,303,937	1,146,598	-	-
Sales and marketing	762,128	757,700	-	-
Royalty	50,350	21,205	-	-
Dividends	-	-	2,067,552	67,552
Interest	454,519	554,010	300,045	365,706
	10,315,041	**11,540,779**	**2,367,597**	**433,258**

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		Standalone	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Profit before tax	317,219	2,762,976	2,313,703	388,980
Tax at the statutory tax rate of Nil % (2018: Nil %)	-	-	-	-
Tax rate differential in foreign Countries	645,184	267,531	-	-
Tax expense	**(645,184)**	**267,531**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

a. Taxes payable consist of the following:

	Consolidated		Standalone	
Indonesia:	**31 March 2019 $**	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Development tax I	90,166	74,099	-	-
Income tax				
Article 4(2)	-	-	-	-
Article 21	11,992	14,398	-	-
Article 23	76,358	45,664	-	-
Article 25	18,170	18,190	-	-
Article 26	330	330	-	-
Article 29	33,832	1,145		
Value added tax	13,662	13,500	-	-
Withholding tax	-	3,500	-	-
Total	**244,510**	**170,826**	**-**	**-**

b. A reconciliation between profit before income tax, as shown in the statement of profit or loss and other comprehensive income, and estimated tax expense follows:

	Consolidated		Standalone	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Income before income tax per statement of profit of loss and other comprehensive income	317,219	2,762,976	2,313,703	388,980
Temporary differences:				
Provision for replacement of furniture, fixtures and equipment, ne	137,745	225,544	-	-
Employee benefits, net	71,958	89,511	-	-
Depreciation	(7,699)	900	-	-
Provision for impairment of trade receivables, net	-	(192)	-	-
Permanent differences:				
Interest income already subjected to Final tax	(20,741)	(17,376)	-	-
Depreciation	5,387	3,711	-	-
Other	(89,349)	76,109	-	-
Non-deductible expenses	440,628	419,649	-	-
Unrecognised Deferred Tax Assets	-	-	-	-
Not Subject to Tax	216,102	(2,286,800)	(2,313,703)	(388,980)
Utilisation of tax losses carryforward	(168,262)	(511,048)	-	-
Estimated taxable income for the year	**903,652**	**762,984**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

c. Computation of estimated current income tax expense and estimated income tax payable:

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Estimated taxable income (rounded off)	903,652	762,984	-	-
Current income tax expense	216,696	232,812	-	-
Prepayments of Income tax article 25	(216,830)	(232,503)	-	-
Translation adjustments	628	836	-	-
Estimated income tax payable (claim for tax refund)	**494**	**1,145**	**-**	**-**

d. 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:

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Income before income tax	317,219	2,762,976	2,313,703	388,980
Tax expense at the applicable rate	433,485	210,303	-	-
Tax effect on permanent differences:				
Utilisation of carry forward tax losses	(44,587)	(67,371)		
Unrecognised deferred assets	10,204	19,836	-	-
Interest income already subjected to final tax	(4,470)	(4,327)	-	-
Non-deductible expenses	110,159	216,434	-	-
Translation adjustments	2,824	(109,499)		
Other	2,051	2,155		
Income tax expense				
Current year	509,666	267,531		
Prior Year*	135,518	-		
Total	645,184	267,531	-	-

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

e. Deferred income tax benefit (expense) consists of:

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Provision (payment of reserve) for replacement of furniture, fixtures and equipment – net	28,225	45,945	-	-
Provision for employee benefits - net	13,367	14,543	-	-
Depreciation and amortization - net	(439)	(1,924)	-	-
Net	**41,153**	**58,564**	**-**	**-**

f. Deferred tax assets (liabilities) consist of:

	Consolidated				
	1 April 2018 $	Profit or loss $	Other comprehensive income $	Translation Adj. $	31 March 2019 $
Deferred tax assets					
Employee benefits liability	193,380	13,367	4,161	-	210,908
Reserve for replacement of furniture, fixtures and equipment	99,301	28,225	-		127,526
Total deferred tax assets	292,681	41,592	4,161	-	338,434
Deferred tax liabilities					
Depreciation and amortization - net	(66,866)	(439)	-	-	(67,305)
Translation adjustments	(14,424)	-	-	(6,200)	(20,624)
Net deferred tax assets	**211,391**	**41,153**	**4,161**	**(6,200)**	**250,505**

	Consolidated				
	1 Aprl 2017 $	Profit or loss $	Other comprehensive income $	Translation Adj. $	31 March 2018 $
Deferred tax assets					
Employee benefits liability	173,867	14,543	4,970	-	193,380
Reserve for replacement of furniture, fixtures and equipment	53,356	45,945	-	-	99,301
Total deferred tax assets	227,223	60,448	-	-	292,681
Deferred tax liabilities					
Depreciation and amortization - net	(64,942)	(1,924)	-	-	(66,866)
Translation adjustments	(8,371)	-	-	(6,053)	(14,424)
Net deferred tax assets	**153,910**	**58,564**	**4,970**	**(6,053)**	**211,391**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

	Standalone			
	1 April 2018 $	Profit or loss $	Other comprehensive income $	31 March 2019 $
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	**-**	**-**	**-**	**-**

4. Taxation (continued)

	Standalone			
	1 April 2017 $	Profit or loss $	Other comprehensive income $	31 March 2018 $
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		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Fees	-	-	-	-
Other emoluments	-	-	-	-
	-	**-**	**-**	**-**

6. Investments
Investments in Subsidiaries

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Unlisted shares, at cost	**-**	**-**	**89,043,714**	**79,043,714**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

Investments in Associates

	Consolidated		Standalone	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Oberoi Mauritius Limited	4,705,902	5,166,210	4,867,500	4,867,500
La Roseraie De L'Atlas SA	17,745,573	5,152,339	-	-
	22,451,475	**10,318,549**	**4,867,500**	**4,867,500**

Other Investments

	Consolidated		Standalone	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Tourism Investment Co. Sal Hasheesh	**5,085,536**	**5,085,536**	**764,000**	**764,000**

	Consolidated		Standalone	
	31-Mar-19 $	**31-Mar-18 $**	**31-Mar-19 $**	**31-Mar-18 $**
Total investments	**27,537,011**	**15,404.085**	**94,675,214**	**84,675,214**

Details of the subsidiaries are as follows:

Name	Place of incorporation	Percentage of equity attributable to the Company Directly	Percentage of equity attributable to the Company Indirectly	Principal Activities	Directors
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 Intertrust (Curacao) B.V.
EIH Investment N.V	Netherlands Antilles	-	100	Investment and management	Intertrust (Curacao) B.V.
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 2019

7. Property, Plant and Equipment

	Consolidated						
	Freehold Land $	**Freehold Buildings $**	**Plant and Equipment $**	**Furniture & Fittings $**	**Motor Vehicles $**	**Project Expenses $**	**Total $**
Cost							
At 1 April 2017	5,489,354	3,354,792	2,407,751	2,718,687	181,737	1,217,362	15,369,683
Additions	-	504,562	258,731	170,157	1,807	837,627	1,772,884
Reclassifications		-	-	-	-	-	-
Disposals	-	-	-	-	(1,080)	-	(1,080)
Foreign Exchange	(13,212)	(110,256)	(76,966)	(88,048)	(5,768)	(4,099)	(298,349)
At 31 March 2018	**5,476,142**	**3,749,098**	**2,589,516**	**2,800,796**	**176,696**	**2,050,890**	**16,843,138**
Additions	-	1,211,509	25,184	370,058	33,719	546,150	2,186,620
Transfers	-	577,941	-	-	-	(577,941)	-
Disposals	-	-	-	(14,867)	-	-	(14,867)
Foreign Exchange	(13,861)	(127,027)	(87,667)	(113,914)	(5,768)	(32,996)	(381,103)
At 31 March 2019	**5,462,281**	**5,411,521**	**2,527,033**	**3,042,073**	**204,777**	**1,986,103**	**18,633,788**
Depreciation							
At 1 April 2017	-	(2,477,304)	(1,750,252)	(2,302,587)	(129,072)	-	(6,659,215)
Depreciation Expense	-	(71,293)	(122,111)	(160,756)	(18,213)	-	(372,373)
Foreign Exchange	-	79,643	57,585	76,072	4,460	-	217,760
Disposals	-	-	-	-	1,080	-	1,080
At 31 March 2018	**-**	**(2,468,954)**	**(1,814,778)**	**(2,387,271)**	**(141,745)**	**-**	**(6,812,748)**
Depreciation Expense	-	(142,352)	(124,451)	(187,122)	(22,117)	-	(476,042)
Foreign Exchange	-	83,819	60,871	80,518	4,557	-	229,765
Disposals	-	-	-	14,867	-	-	14,867
At 31 March 2019	**-**	**(2,527,487)**	**(1,878,358)**	**(2,479,008)**	**(159,305)**	**-**	**(7,044,158)**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Freehold Land				
At Cost	5,462,281	5,476,142	-	-
Accumulated depreciation	-	-	-	-
	5,462,281	**5,476,142**	**-**	**-**
Freehold Buildings				
At Cost	5,411,521	3,749,098	-	-
Accumulated depreciation	(2,527,487)	(2,468,954)	-	-
	2,884,034	**1,280,144**	**-**	**-**
Plant and Equipment				
At Cost	2,527,033	2,589,516	-	-
Accumulated depreciation	(1,878,358)	(1,814,778)	-	-
	648,675	**774,738**	**-**	**-**
Furniture & Fittings				
At Cost	3,042,073	2,800,796	-	-
Accumulated depreciation	(2,479,008)	(2,387,271)	-	-
	563,065	**413,525**	**-**	**-**
Motor Vehicles				
At Cost	204,777	176,696	-	-
Accumulated depreciation	(159,305)	(141,745)	-	-
	45,472	**34,951**	**-**	**-**
Project Expenses	**1,986,103**	**2,050,890**	**-**	**-**
Total property, plant and equipment, net	**11,589,630**	**10,030,390**	**-**	**-**
At cost	18,633,788	16,843,138	-	-
Accumulated depreciation	(7,044,158)	(6,812,748)	-	-
Written Down Value	**11,589,630**	**10,030,390**	**-**	**-**

8. Intangible Assets

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Goodwill	30,738,758	30,738,758	-	-
Management contracts	36,400,000	36,400,000	-	-
Less: accumulated amortisation	(7,280,000)	(6,370,000)	-	-
Management contracts, net	29,120,000	30,030,000	-	-
	59,858,758	**60,768,758**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

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 2019, 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 10.5% to 12.5% and cash flows beyond the seven-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 Selvadurai	Oberoi Kerala Hotels and Resorts Limited
	EIH Flight Services Limited
Parent Company	
EIH Limited	Associates & Joint Ventures
	(a) Associates
Subsidiaries	La Roseraie De L'atlas
EIH Holdings Ltd	(b) Joint Ventures
EIH Investments N.V.	Oberoi Mauritius Ltd
EIH Management Services B.V.	(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
	Mercury Travels Limited (Upto 7th August, 2018)
	(b) Joint Ventures
	Mercury Car Rentals Private Limited
	(c) Subsidiary of Associate
	Usmart Education Limited (Upto 7th August, 2018)

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

(b) Transactions with Related Parties for the year ended March 31, 2019

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture	
	2019	2018	2019	2018	2019	2018
PURCHASES	$	$	$	$	$	$
Purchase of Goods & Services						
EIH Ltd	218,036	276,385	-	-	-	-
EIH Flight Services	-	-	1,993	435	-	-
EIH Associated Hotels Ltd	-	-	-	-	798	-
Mercury Travels Ltd	-	-	-	-	5,508	-
Island Resorts Ltd	-	-	-	-	16,725	18,220
Total	**218,036**	**276,385**	**1,993**	**435**	**23,031**	**18,220**
SALES						
Sale of Goods and Services						
EIH Ltd	44,171	13,362	-	-	-	-
EIH Flight Services	-	-	3,163	2,164	-	-
Mumtaz Hotels Ltd	-	-	1,152	-	-	-
Island Resorts Ltd	-	-	-	-	11,040	15,155
Total	**44,171**	**13,362**	**4,315**	**2,164**	**11,040**	**15,155**
INCOME						
Management Fees						
Island Resorts Ltd	-	-	-	-	448,818	697,065
Group Sales & Marketing						
Island Resorts Ltd	-	-	-	-	206,574	255,563
Interest						
Oberoi Mauritius Ltd	-	-	-	-	454,519	554,010
Total	**-**	**-**	**-**	**-**	**1,109,911**	**1,506,638**
FINANCE PAYMENTS						
Dividend on Equity Shares						
EIH Ltd	2,000,000	-	-	-	-	-
Investment in Equity Shares						
La Roseraie De'Atlas	-	-	-	-	12,847,500	-
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	454,519	554,010
La Roseraie De'Atlas	-	-	-	-	55,000	294,000
Total	**2,000,000**	**-**	**-**	**-**	**13,357,019**	**848,010**
RECEIPTS						
Investment in Equity Shares						
EIH Ltd	10,000,000	-	-	-	-	-
Repayment of Advance to Related Party	-	-	-	-	-	-
Oberoi Mauritius Ltd	-	-	-	-	4,125,314	-
La Roseraie De'Atlas	-	-	-	-	4,997,500	-
Total	**10,000,000**	**-**	**-**	**-**	**9,122,814**	**-**

Notes to the Financial Statements *(Contd...)* For the year ended 31 March 2019

(c) Outstanding Balances as on March 31, 2019

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Receivable for Goods & Services						
Island Resorts Ltd	-	-	-	-	49,553	58,369
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	6,116,721	9,787,516
La Roseraie De'Atlas	-	-	-	-	70,500	5,013,000
Total	-	-	-	-	**6,236,774**	**14,858,885**

10. Cash and Cash Equivalents

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Cash at Bank	12,369,727	8,444,186	3,794,971	1,058,606
Cash on hand	11,449	15,712	-	-
	12,381,176	**8,459,898**	3,794,971	**1,058,606**

11. Receivables

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Trade receivables	605,000	743,214	-	-
Other receivables	18,850	283,499	-	-
	623,850	**1,026,713**	**-**	**-**

12. Payables

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Third parties	2,931,563	2,851,666	50,000	50,000
Related parties	-	-	-	-
	2,931,563	**2,851,666**	**50,000**	**50,000**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

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 emp~~loyees 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 April 10, 2019 and April 12, 2018, using the "projected-unit-credit" method are as follows:

The key assumptions used in determining the employee benefits liability are as follows:

	PT Widja Putra Karya	**PT Waka Oberoi Indonesia**
Discount rate	8.70% in 2019 and 7.35% in 2018	8.54% in 2019 and 7.32% in 2018
Annual salary increase	8.5% in 2019 and 8% in 2018	8.00% per annum in 2019 and 2018
Mortality	TMI III	TMI III
Retirement age	55 years	55 years
Disability rate	5% of morality table TMI III	10% morality table TMI III

As of March 31, 2019, 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$64,188/ US$74,108.

a. Details of post-employment benefits expense:

	Consolidated		**Standalone**	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Current service cost	68,309	67,743	-	-
Interest cost	62,020	67,018	-	-
Total post-employee Benefits expense	**130,329**	**134,761**	**-**	**-**

b. Details of post-employment benefits liability:

	Consolidated		**Standalone**	
	31 March 2019 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2018 $**
Present value of defined Benefits obligation	1,045,406	986,023	-	-
Unrecognized past service cost - unvested	-	-	-	-
Unrecognized actuarial loss	-	-	-	-
Employee benefit liability	**1,045,406**	**986,023**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

c. Movements in post-employment benefits liability are as follows:

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Beginning balance	986,023	904,122	-	-
Provision during the year	130,329	134,761	-	-
Payment during the year	(58,371)	(45,250)	-	-
Actuarial loss (gain) from			-	-
Experience adjustment	60,523	(15,244)		
Change in financial assumption	(40,503)	36,998	-	-
Translation adjustment	(32,595)	(29,364)	-	-
Employee benefit liability	**1,045,406**	**986,023**	**-**	**-**

14. Contributed Equity

Share Capital

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Issued and fully paid: 106,607,800 (2018: 96,607,800) ordinary shares	**106,607,800**	**96,607,800**	**106,607,800**	**96,607,800**

	Consolidated		Standalone	
	Number of Shares	$	Number of Shares	$
As at 31 March 2017	**96,607,800**	**96,607,800**	**96,607,800**	**96,607,800**
Shares issued	-	-	-	-
As at 31 March 2018	**96,607,800**	**96,607,800**	**96,607,800**	**96,607,800**
Share issued	10,000,000	10,000,000	10,000,000	10,000,000
As at 31 March 2019	**106,607,800**	**106,607,800**	**106,607,800**	**106,607,800**

15. Non-controlling interest

	Consolidated		Standalone	
	31 March 2019 $	31 March 2018 $	31 March 2019 $	31 March 2018 $
Contributed equity	4,328,797	3,158,046	-	-
Translation reserve	(950,356)	(904,609)	-	-
Dividend paid	(240,000)	(120,000)	-	-
Retained earnings	(875,957)	(937,127)	-	-
Current year profit	(5,448)	61,170	-	-
	2,257,036	**1,257,480**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

16. 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 requires all its operating units to use forward currency contracts to eliminate the foreign currency exposures on any individual transactions

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$**	**Increase/ (decrease) in equity US$**
2019			
If the US dollar weakens against the Rupiah	5	9,415	174,310
If the US dollar strengthens against the Rupiah	(5)	(9,415)	(174,310)
2018			
If the US dollar weakens against the Rupiah	5	91,152	231,218
If the US dollar strengthens against the Rupiah	(5)	(91,152)	(231,218)

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:

	2019		
	On demand	**Over 1 year**	**Total**
	US$	**US$**	**US$**
Trade and other payables	2,931,563	-	2,931,563
Provision for taxation	244,510	-	244,510
Amounts due to related parties	3,120,000	-	3,120,000

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2019

	2018		
	On demand	Over 1 year	Total
	US$	US$	US$
Trade and other payables	2,851,666	-	2,851,666
Provision for taxation	170,826	-	170,826
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

No material subsequent events or transactions have been identified.

19. 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 2018, the assessed tax for the years ended 30 June 2001 to 30 June 2013 is US$741,608 and penalties of US$458,179.

Based on the advice received from Pricewaterhouse Coopers, the company did not accept that basic management fee should be treated as royalty. 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 2018 is US$53,027. The company has paid $43,038 as at 31 March 2018.

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$335,843 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 pending further hearings.

During the year 2018-19 the Company and MRA came to an agreement wherein 1.3% Basic Management Fee was deemed as royalty and on the remaining 1.7% Basic Management Fee and Incentive Management Fee, 20% would be taxable out of which 60% would be allowed as expense deductions and tax would be paid at 15% on the taxable amount.

Based on this methodology the company paid the taxes during the year and also filed returns on the same basis for the year 2017-18 and 2018-19. There are no further liabilities or dues to MRA as at 31 March 2019.

There are no other outstanding commitments and contingencies at year end.

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 2019;

(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 2019; 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.

Deepak Madhok
Director

21 May 2019

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 2019, 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 profit for the year was $1,155,381 (2018: $1,101,198) after provision for income tax expense of $238,560 (2018: $46,922).

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 Company'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 $2,000,000 (2018: $nil) 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.

	DEEPAK MADHOK
21 May 2019	*Director*

Independent Auditor's Report

Opinion

We have audited the financial report of EIH Holdings Ltd (the Company), which comprises the statement of financial position as at 31 March 2019, 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 31 March 2019, 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.

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

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
21 May 2019

DAVID SANDERS
Partner

Statement of Comprehensive Income
For the year ended 31 March 2019

(Expressed in United States dollars)

	Note	**31-Mar-19** **$**	31-Mar-18 $
Continuing Operations			
Turnover	3	**2,792,273**	2,650,425
Cost of sales		**-**	-
Gross profit		**2,792,273**	2,650,425
Operating Expenses			
Administration and general expenses		**1,306,982**	1,260,855
Project development expenses		**83,889**	277,366
Total Operating Expenses		**1,390,871**	1,538,221
Other Income/(Expense)			
Other income/(expense)		**(7,461)**	35,916
Total Other Income/(Expense)		**(7,461)**	35,916
Profit before taxation	4	**1,393,941**	1,148,120
Taxation	5	**(238,560)**	(46,922)
Profit after taxation		**1,155,381**	1,101,198
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income		**1,155,381**	1,101,198

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

Statement of Financial Position
As at 31 March 2019

(Expressed in United States dollars)

	Note	**31 March 2019** $	31 March 2018 $
Non-Current Assets			
Investments	7	**40,658,099**	11,672,526
Amount due from related parties	8	**2,838,610**	25,164,727
		43,496,709	36,837,253
Current Assets			
Cash and cash equivalents	9	**7,837,176**	6,277,839
Receivables	10	**1,478,052**	487,275
Total Current Assets		**9,315,228**	6,765,114
Total Assets		**52,811,937**	43,602,367
Current Liabilities			
Payables	11	**175,593**	121,404
Total Current Liabilities		**175,593**	121,404
Non-Current Liabilities			
Amount due to related parties	8	**106,522**	106,522
Total Non-Current Liabilities		**106,522**	106,522
Total Liabilities		**282,115**	227,926
Total Net Assets		**52,529,822**	43,374,441
Equity			
Share Capital	12	**47,085,714**	37,085,714
Retained Earnings		**5,444,108**	6,288,727
Total Equity		**52,529,822**	43,374,441

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 2019

(Expressed in United States dollars)

	Note	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2018	**12**	**37,085,714**	**6,288,727**	**43,374,441**
Profit for year		-	1,155,381	1,155,381
Other Comprehensive income		-	-	-
Issue of capital		10,000,000	-	10,000,000
Dividend paid		-	-	-
As at 31 March 2019	**12**	**47,085,714**	**5,444,108**	**52,529,822**

	Note	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2017	**12**	**37,085,714**	**5,187,529**	**42,273,243**
Profit for year		-	1,101,198	1,101,198
Other Comprehensive income		-	-	-
Issue of capital		-	-	-
Dividend paid		-	-	-
As at 31 March 2018	**13**	**37,085,714**	**6,288,727**	**43,374,441**

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 2019

(Expressed in United States dollars)

	31 March 2019	31 March 2018
	$	$
Cash flows from operating activities		
Profit before taxation	**1,393,941**	1,148,120
Adjustment for:		
Interest income	**(154,474)**	(188,304)
Dividend income	**(156,448)**	(149,603)
Other	**7,461**	(35,916)
(Increase)/Decrease in assets:		
Decrease / (increase) in receivables	**(990,777)**	(98,595)
Decrease / (increase) in related parties	**1,329,518**	-
(Decrease)/Increase in liabilities:		
(Decrease) / increase in payables	**54,189**	53,354
Cash generated from operations	**1,483,410**	729,056
Tax paid	**(238,560)**	(46,922)
Net cash flows from operating activities	**1,244,850**	682,134
Cash flows from investing activities		
Dividends paid	**(2,000,000)**	-
Dividend income	**156,448**	149,603
Increase in investments	**(7,834,500)**	-
Interest received	**-**	-
Net cash flows from/(used by) investing activities	**(9,678,052)**	149,603
Cash flows from financing activities		
Payments on loans provided to related parties	**-**	(372,495)
Issue of share capital	**10,000,000**	-
Proceeds from related party borrowings	**-**	-
Net cash flows used by financing activities	**10,000,000**	(372,495)
Net increase (decrease) in cash and cash equivalents	**1,566,798**	459,242
Cash and cash equivalents at beginning of year	**6,277,839**	5,782,681
Effect of exchange rate changes on cash balances	**(7,461)**	35,916
Cash and cash equivalents at end of year (Note 9)	**7,837,176**	6,277,839

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the year ended 31 March 2019

(Expressed in United States dollars)

1. Corporate information

The financial report of EIH Holdings Ltd (the "Company") for the year ended 31 March 2019 was authorised for issue on 21 May 2019.

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.

(c) Changes in accounting policies and disclosures

The following accountant standards became effective for the first time during the period:

IFRS 15 Revenue from Contracts with Customers

A new revenue standard applies to every industry across every business for annual reporting periods beginning on or after 1 January 2018. For EIH Holdings Ltd the new standard will apply for the year ended 31 March 2019.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Notes to the Financial Statements *(Contd...)*

Management have assessed the impact of the new standard and believe the impact on the year-end report to be immaterial.

IFRS 9 Financial Instruments

A new financial instrument standard applies to annual reporting periods beginning on or after 1 January 2018. For EIH Holdings Ltd the new standard will apply for the year ended 31 March 2019.

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

Management have assessed the impact of the new standard and believe the impact on the year-end report to be immaterial.

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.

(g) Investments

The Company's available-for-sale 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 available-for-sale 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.

Notes to the Financial Statements *(Contd...)*

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 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:

Notes to the Financial Statements *(Contd...)*

(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.

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.

	31 March 2019	31 March 2018
	$	$
Hotel management fees	**1,436,551**	1,261,774
Sales and marketing	**994,450**	1,029,539
Royalty	**50,350**	21,205
Dividends	**156,448**	149,603
Interest	**154,474**	188,304
	2,792,273	2,650,425

4. Profit Before Taxation

Profit before taxation is arrived at after charging and crediting:

	31 March 2019	31 March 2018
	$	$
Interest income (Note 3)	**154,474**	188,304
Auditor remuneration		
- audit of financial report	**13,250**	12,750
- accounting advice	**-**	-
	13,250	12,750

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:

	31 March 2019	31 March 2018
	$	$
Profit before tax	**1,393,941**	1,148,120
Tax at the statutory tax rate of Nil% (2017: Nil%)	**-**	-
Tax rate differential in foreign countries	**238,560**	46,922
Tax expense	**238,560**	46,922

Notes to the Financial Statements *(Contd...)*

6. Directors' Remuneration

	31 March 2019	31 March 2018
	$	$
Fees	**-**	-
Other emoluments	**-**	-
	-	-

7. Investments

Investments in Subsidiaries

	31 March 2019	31 March 2018
	$	$
Unlisted shares, at cost		
PT Astina Graha Ubud	**1,560,000**	1,560,000
PT Widja Putra Karya	**8,800,000**	-
PT Waka Oberoi Indonesia	**7,338,073**	-
	17,698,073	1,560,000

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.	Netherlands Antilles	100	-	Investment and management	Intertrust (Curacao) BV
EIH Management Services B.V.	Netherlands	-	100	Hotel management and investment	TMF Management B.V.

Notes to the Financial Statements *(Contd...)*

Investments in Associates and Joint Ventures

	31 March 2019 **$**	31 March 2018 $
La Roseraie De L'Atlas SA	**18,571,500**	5,724,000
Oberoi Mauritius Ltd	**2,507,500**	2,507,500
	21,079,000	8,231,500

Investments in associates and joint ventures and are carried at cost, less provision for any permanent diminution in value.

	31 March 2019 **$**	31 March 2018 $
Tourism Investment Co. at Sahl Hasheesh	**1,875,026**	1,875,026
EIH Investments N.V.	**6,000**	6,000
	1,881,026	1,881,026

Other investments and are carried at cost, less provision for any permanent diminution in value.

	31 March 2019 **$**	31 March 2018 $
Total investments	**40,658,099**	11,672,526

8. Amounts Due from Related Companies

(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 Selvadurai	Oberoi Kerala Hotels and Resorts Limited
	EIH Flight Services Limited
Ultimate Parent Company	
EIH Limited	Associates & Joint Ventures
	(a) Associates La Roseraie De L'atlas
Parent Company	
EIH International Limited	(b) Joint Ventures Oberoi Mauritius Ltd

Notes to the Financial Statements *(Contd...)*

Subsidiaries	(c) Subsidiary of Joint Venture Island Resort Ltd
EIH Investments N.V.	
EIH Management Services B.V.	
PT Widja Putra Karya	
PT Waka Oberoi Indonesia	
PT Astina Graha Ubud	
Associates & Joint Ventures of parent entities	
(a) Associates EIH Associated Hotels Limited Mercury Travels Limited (Upto 7th August 2018)	
(b) Joint Ventures Mercury Car Rentals Private Limited	
(c) Subsidiary of Associate Usmart Education Limited (Upto 7th August 2018)	

(b) Transactions with Related Parties for the year ended March 31, 2019

NATURE OF TRANSACTIONS	**Parent Company**		**Subsidiaries**		**Associate / Joint Venture**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
INCOME	**$**	**$**	**$**	**$**	**$**	**$**
Management Fees						
Island Resorts Ltd	-	-	-	-	448,818	697,065
EIH Investments NV	-	-	132,614	115,176	-	-
Group Sales & Marketing						
Island Resorts Ltd	-	-	-	-	206,574	255,563
PT Widja Putra Karya	-	-	203,704	199,775	-	-
PT Waka Oberoi Indonesia	-	-	28,618	72,064	-	-
Interest						
Oberoi Mauritius Ltd	-	-	-	-	154,474	188,304
Dividends						
PT Widja Putra Karya	-	-	156,448	-	-	-
EIH Investments NV	-	-	-	149,603	-	-
Total	**-**	**-**	**521,384**	**536,618**	**809,866**	**1,140,932**

Notes to the Financial Statements *(Contd...)*

(b) Transactions with Related Parties for the year ended March 31, 2019

NATURE OF TRANSACTIONS	Parent Company		Subsidiaries		Associate / Joint Venture	
	2019	2018	2019	2018	2019	2018
FINANCE PAYMENTS	**$**	**$**	**$**	**$**	**$**	**$**
Dividend on Equity Shares						
EIH International Ltd	2,000,000	-	-	-	-	-
Investment in Equity Shares						
La Roseraie De'Atlas	-	-	-	-	12,847,500	-
PT Widja Putra Karya	-	-	8,800,000	-	-	-
PT Waka Oberoi Indonesia	-	-	7,338,073	-	-	-
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	155,474	188,304
La Roseraie De'Atlas	-	-	-	-	55,000	294,000
PT Astina Graha Ubud	-	-	22,119	-	-	-
Total	**2,000,000**	**-**	**16,160,192**	**-**	**13,056,974**	**482,304**
RECEIPTS						
Investment in Equity Shares						
EIH International Ltd	10,000,000	-	-	-	-	-
Repayment of Advance to Related Party						
EIH Investments NV	-	-	16,138,073	-	-	-
Oberoi Mauritius Ltd	-	-	-	-	1,402,607	-
La Roseraie De'Atlas	-	-	-	-	4,997,500	-
Total	**10,000,000**	**-**	**16,138,073**	**-**	**6,400,107**	**-**

(c) Outstanding Balances as on March 31, 2019

NATURE OF TRANSACTIONS	Parent Company		Subsidiaries		Associate / Joint Venture	
	2019	2018	2019	2018	2019	2018
RECEIVABLES	**$**	**$**	**$**	**$**	**$**	**$**
For Goods & Services						
Island Resorts Ltd	-	-	-	-	49,553	58,369
PT Widja Putra Karya	-	-	16,232	62,275	-	-
PT Waka Oberoi Indonesia	-	-	48,876	20,258	-	-
Advance to Related Party						
PT Waka Oberoi Indonesia	-	-	970,568	-	-	-
PT Astina Graha Ubud	-	-	461,435	439,317	-	-
Oberoi Mauritius Ltd	-	-	-	-	2,078,576	3,326,709
EIH Management Services	-	-	19,904	19,904	-	-
La Roseraie De'Atlas	-	-	-	-	70,500	5,013,000
EIH Investments NV			-	16,138,073	-	-
Total	**-**	**-**	**1,517,015**	**16,679,827**	**2,198,629**	**8,398,078**
PAYABLES						
Payable to Related Party						
PT Widja Putra Karya	-	-	106,522	106,522	-	-
Total	**-**	**-**	**106,522**	**106,522**	**-**	**-**

Notes to the Financial Statements *(Contd...)*

9. Cash and Cash Equivalents

	31 March 2019	31 March 2018
	$	$
Cash at Bank	**7,837,176**	6,277,839

10. Receivables

Trade receivables	**1,478,052**	487,275
	1,478,052	487,275

11. Payables

Third parties	**175,593**	121,404
	175,593	121,404

12. Share Capital

	31 March 2019	31 March 2018
	$	$
Issued and fully paid: 47,085,714 ordinary shares	**47,085,714**	37,085,714

	Number of Shares	$
As at 31 March 2017	**37,085,714**	34,085,714
Shares issued	-	-
As at 31 March 2018	**37,085,714**	37,085,714
Shares issued	**10,000,000**	10,000,000
As at 31 March 2019	**47,085,714**	47,085,714

13. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified.

14. **Commitments and Contingencies**

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 2018, the assessed tax for the years ended 30 June 2001 to 30 June 2013 is US$741,608 and penalties of US$458,179.

Based on the advice received from Pricewaterhouse Coopers, the company did not accept that basic management fee should be treated as royalty. 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 2018 is US$53,027. The company has paid $43,038 as at 31 March 2018.

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$335,843 in order to lodge the appeal with ARC.

Notes to the Financial Statements *(Contd...)*

The MRA did not agree with the Company and the matter has been presented and heard before the ARC and pending further hearings.

During the year 2017-18 the Company and MRA came to an agreement wherein 1.3% Basic Management Fee was deemed as royalty and on the remaining 1.7% Basic Management Fee and Incentive Management Fee, 20% would be taxable out of which 60% would be allowed as expense deductions and tax would be paid at 15% on the taxable amount.

Based on this methodology the company paid the taxes during the year and also filed returns on the same basis for the year 2017-18 and 2018-19. There are no further liabilities or dues to MRA as at 31 March 2019.

There are no other outstanding commitments and contingencies at year end.

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 result of the Company for the year ended 31 March 2019;

(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 2019; 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.

21 May 2019

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

REGISTERED OFFICE

Chuchubiweg 17,
Curacao
Netherlands Antilles

DIRECTOR'S REPORT

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2019.

The name of the Company's Director in office during the year 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 year unless otherwise stated.

PRINCIPAL ACTIVITIES

The Company's principal activities are to act as a holding and finance company. It is expected that the activities of the Company will remain unchanged.

OPERATING AND FINANCIAL REVIEW

The net loss of the Company for the year was $416,798 (2018 profit of $166,807) after providing for income tax of $1,962 (2018: $4,374).

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. The Company is dependent upon the continued funding from the shareholder for settlement of its liabilities when they fall due. So far the shareholder has provided sufficient funding for the Company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in state of affairs.

The results of the Company's operations during the year 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 year (2018: $149,603).

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:

Curaçao

21 May 2019 Director

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 positi on as at 31 March 2019, 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 2019, 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 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.

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

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.

Adelaide	ERNST & YOUNG
21 May 2019	Adelaide

Statement of Comprehensive Income
For the year ended 31 March 2019

(Expressed in United States dollars)

	31 March 2019	31 March 2018
	$	$
Revenue		
Royalty Income	**142,596**	123,845
Expenses		
Royalty expenses	**132,614**	115,176
Administration and general expenses	**16,206**	9,972
Total expenses	**148,820**	125,148
Other Income/(Expense)		
Dividend income	**-**	172,484
Impairment of investment	**(408,612)**	
Total Other Income	**(408,612)**	172,484
Profit/(Loss) before taxation	**(414,836)**	171,181
Taxation (expense)/benefit	**(1,962)**	(4,374)
Profit/(Loss) after Taxation	**(416,798)**	166,807
Other Comprehensive Income	**-**	-
Total Comprehensive Income	**(416,798)**	166,807

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

Statement of Financial Position
As at 31 March 2019

(Expressed in United States Dollars)

	Note	**31 March 2019**	31 March 2018
		$	$
Non-Current Assets			
Investment in subsidiary	3	**-**	408,612
Amount due from related company	4	**-**	15,749,365
Total Non-Current Assets		**-**	16,157,977
Current Assets			
Amount due from related company		**-**	391,076
Total Current Assets		**-**	391,076
Total Assets		**-**	16,549,053
Current Liabilities			
Amount due to shareholder		**208,195**	227,724
Amount due to related company		**25,347**	-
Total Current Liabilities		**233,542**	227,724
Non-Current Liabilities			
Amount due to shareholder	5	**19,904**	16,157,977
Total Non-Current Liabilities		**19,904**	16,157,977
Total Liabilities		**253,446**	16,385,701
Net Assets		**253,446**	163,352
Shareholders' Equity:			
Share capital	1	**6,000**	6,000
Retained earnings		**(259,446)**	157,352
		(253,446)	163,352

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

Statement of Changes in Equity
For the year 31 March 2019

(Expressed in United States dollars)

	Note	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2018	1	6,000	157,352	163,352
Profit for year		-	(416,798)	(416,798)
Other comprehensive income		-	-	-
Dividend paid		-	-	-
As at 31 March 2019	1	6,000	(259,446)	253,446

	Note	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2017	1	6,000	140,148	146,148
Profit for year		-	166,807	166,807
Other comprehensive income		-	-	-
Dividend paid		-	(149,603)	(149,603)
As at 31 March 2018	1	6,000	157,352	163,352

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 31 March 2019

(Expressed in United States Dollars)

1. Corporate information

The financial report of EIH Investment N.V. (the "Company") for the year ended 31 March 2019 was authorised for issue on 21 May 2019.

EIH Investment N.V. is a company limited by shares and was incorporated in the Netherlands Antilles on 22 May 1997. The authorised share capital of the Company consists 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.

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 year.

(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

The following accountant standards became effective for the first time during the period:

IFRS 15 Revenue from Contracts with Customers

A new revenue standard applies to every industry across every business for annual reporting periods beginning on or after 1 January 2018. For EIH Investment N.V. the new standard will apply for the year ended 31 March 2019.

Notes to the Financial Statements *(Contd...)*

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Management have assessed the impact of the new standard and believe the impact on the year end report to be immaterial.

IFRS 9 Financial Instruments

A new financial instrument standard applies to annual reporting periods beginning on or after 1 January 2018. For EIH Investment N.V. the new standard will apply for the year ended 31 March 2019.

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

Management have assessed the impact of the new standard and believe the impact on the year end report to be immaterial.

(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.

Notes to the Financial Statements *(Contd...)*

(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.

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.

Notes to the Financial Statements *(Contd...)*

3. Investment in Subsidiary

Represents a 100% investment in EIH Management Services B.V. Participation is accounted for on a cost basis.

Since the participation do not have any assets and the amount of the share capital and share premium not likely to be recovered, it has been decided to impair the amount reported as investment in subsidiary to nil.

4. Amount Due From Related Company

	31 March 2019	31 March 2018
	$	$
EIH Management Services BV	-	15,749,365
Total Amounts due	-	15,749,365

The prior period amount represents US$15,749,365 in loans granted to EIH Management Services BV which were unsecured.

During the year under review the amount of US$16,138,073 has been set-off against the amount payable to EIH Holdings Ltd by means of a deed of assignment of debt dated March 20, 2019.

5. Amount Due to Shareholder

The Company received loans amounting to US$19,904 from EIH Holdings Ltd which are unsecured. This amount represents the balance of the deed of assignment of debt.

6. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified. The Company is dependent upon the continued funding from the shareholder for settlement of its liabilities when they fall due. So far the shareholder has provided sufficient funding for the Company.

7. Commitments and Contingencies

There are no outstanding commitments and contingencies at year end.

8. Auditor's Remuneration

	31 March 2019	31 March 2018
	$	$
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	-	-
	-	-

Director's Statement

In the opinion of the Director:

(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 31 March 2019;

(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 31 March 2019; 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 the Director.

Curaçao, 21 May 2019

Director

EIH MANAGEMENT SERVICES B.V.

BOARD

TMF Management B.V.
Herikerbergweg 238,
Luna Arena
1101 CM Amsterdam
The Netherlands

AUDITORS

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

REGISTERED OFFICE

Locatellikade 1
Parnassustoren
1076 AZ Amsterdam
The Netherlands

DIRECTOR'S REPORT

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2019.

The name of the Company's Director in office during the year and until the date of this report is as follows.

TMF Management B.V.
Herikerbergweg 238
Luna Arena
1101 CM Amsterdam
The Netherlands

The Director was in office for the entire year unless otherwise stated.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was investment and management.

OPERATING AND FINANCIAL REVIEW

The net loss of the Company for the year was €812,975 (2018: profit of €1,558,552) after providing for income tax of €3,138 (2018: €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 Director, been affected by any item, transaction or event of a material or unusual nature.

RISK MANAGEMENT

The Company takes a proactive approach to risk management. The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the board.

DIVIDENDS

No dividend has been declared and paid during the year ended 31 March 2019 (2018: €141,961).

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.

DIRECTOR'S STATEMENT

In the opinion of the Director:

(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 31 March 2019;

(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 31 March 2019; 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.

Amsterdam, 13 May 2019

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TMF Management B.V

Independent Auditor's Report

To the Members of
EIH Management Services B.V.

Opinion

We have audited the financial report of EIH Management Services B.V. (the Company), which comprises the statement of financial position as at 31 March 2019, 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 31 March 2019, 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 Management Services B.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 Management Services B.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.

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

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.

Adelaide	ERNST & YOUNG
13 May 2019	*Chartered Accountants*

Statement of Comprehensive Income
For the year ended 31 March 2019

(Expressed in Euros)

	Note	31 March 2019 €	31 March 2018 €
Turnover	3	162,767	139,920
Dividend income		-	141,625
Interest income		-	-
Total Income		**162,767**	**281,545**
Expenses			
Management fee expenses		123,165	105,877
Administration and other expenses		80,668	48,380
Unrealised foreign exchange loss / (gain)		768,771	(1,431,264)
Total Expenses		**972,604**	**(1,277,007)**
Profit / (loss) before Taxation		**(809,837)**	**1,558,552**
Taxation expense		3,138	-
Profit / (loss) after Taxation		**(812,975)**	**1,558,552**
Other Comprehensive Income		-	-
Total Comprehensive Income / (Loss)		**(812,975)**	**1,558,552**

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

Statement of Financial Position
As at 31 March 2019

(Expressed in Euros)

	Note	31 March 2019 €	31 March 2018 €
Non-Current Assets			
Investment in subsidiary	4	-	2,549,683
Investment in associate	4	-	7,632,705
Amount due from related parties	5	-	3,684,306
Total Non-Current Assets		-	**13,866,694**
Current Assets			
Cash and cash equivalents		-	67,284
Other receivables and prepayments		16,805	9,584
Amount due from related parties		22,597	-
Total Current Assets		**39,402**	76,868
Total Assets		**39,402**	13,943,562
Current Liabilities			
Accruals		**16,919**	7,840
Amount due to related parties	6	-	317,414
Total Current Liabilities		**16,919**	325,254
Non-Current Liabilities			
Amount due to shareholder	6	-	12,782,850
Total Non-Current Liabilities`		-	12,782,850
Total Liabilities		**16,919**	13,108,104
Net Assets / (Liabilities)		**22,483**	835,458
Equity:			
Issued Share capital		**18,200**	18,200
Share Premium		**375,000**	375,000
Retained earnings		**(370,717)**	442,258
Total Equity		**22,483**	835,458

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 2019

(Expressed in Euros)

	Share Capital €	Retained Earnings €	Total Equity €
As at 1 April 2017	**393,200**	**(974,333)**	**(581,133)**
Profit for year	-	1,558,552	1,558,552
Dividend paid	-	(141,961)	(141,961)
Other comprehensive income	-	-	-
As at 31 March 2018	**393,200**	**442,258**	**835,458**

	Share Capital €	Retained Earnings €	Total Equity €
As at 1 April 2018	**393,200**	**442,258**	**835,458**
Profit for year	-	(812,975)	(812,975)
Dividend paid	-	-	-
Other comprehensive income	-	-	-
As at 31 March 2019	**393,200**	(370,717)	**22,483**

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 2019

(Expressed in Euro)

	Note	**31 March 2019** €	31 March 2018 €
Cash flows from operating activities			
Profit/(Loss) before taxation		(812,975)	1,558,552
Adjustment for:			
Interest income		-	-
Unrealised foreign currency (gain)/loss		768,772	(1,431,264)
(Increase)/Decrease in assets:			
(Increase)/Decrease in receivables and prepayments		(29,818)	(803)
(Increase)/Decrease in related party receivables		3,684,306	-
(Increase)/Decrease in Investments		9,911,107	-
(Decrease)/Increase in liabilities:			
Increase/(decrease) in accruals		9,080	1,191
Increase/(decrease) in related party payables		(13,597,756)	75,236
Cash generated from operations		**(67,284)**	**202,912**
Interest paid		**-**	-
Net cash flows generated / (used) in operating activities		**(67,284)**	202,912
Cash flows from investing activities			
Interest received		**-**	-
Dividend paid		**-**	(141,961)
Net cash flows from investing activities			**(141,961)**
Cash flows from financing activities		**-**	-
Net increase / (decrease) in cash and cash equivalents		**(67,284)**	60,951
Cash and cash equivalents at beginning of year		**67,284**	6,333
Cash and cash equivalents at end of year		**-**	67,284

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the year ended 31 March 2019

(Expressed in Euro)

1. Corporate information

The financial report of EIH Management Services B.V. (the "Company") for the year ended 31 March 2019 was authorised for issue on 13 May 2019.

The Company was incorporated on 11 September 1997.

The authorised share capital of the Company consists of 1,820 shares with a par value of Euros 50 each (Euros 91,000). At 31 March 2019, 364 shares were issued and fully paid.

The nature of the operations and principal activity of the Company is described in the Director's report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These Financial Statements are prepared in accordance with Title 9 of Book 2 of the Netherlands Civil Code and are prepared solely for management purposes enabling consolidation with the (ultimate) parent company.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Euros and all values are rounded to the nearest Euros unless otherwise stated.

The financial statements are not consolidated with those of its subsidiary, as a result of Article 407 exemption.

(b) 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.

(c) 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.

(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 Euros 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.

Notes to the Financial Statements *(Contd...)*

(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.

(g) Investments

Investments in subsidiaries and associates 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) Changes in accounting policies and disclosures

The following accountant standards became effective for the first time during the period:

IFRS 15 Revenue from Contracts with Customers

A new revenue standard applies to every industry across every business for annual reporting periods beginning on or after 1 January 2018. For EIH Management Services B.V the new standard will apply for the year ended 31 March 2019.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Management have assessed the impact of the new standard and believe the impact on the year-end report to be immaterial.

IFRS 9 Financial Instruments

Notes to the Financial Statements *(Contd...)*

A new financial instrument standard applies to annual reporting periods beginning on or after 1 January 2018. For EIH Management Services B.V the new standard will apply for the year ended 31 March 2019.

IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

Management have assessed the impact of the new standard and believe the impact on the year-end report to be immaterial.

Remaining accounting policies adopted are consistent with those of the previous financial year.

(j) 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.

(k) Revenue from contracts with customers

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.

3. Management Fee Income

Turnover represents management fee income.

4. Investments

Investments represent equity interests and advances to related companies. Investments are as follows:

Name	Place of Incorporation	**31-Mar-19** Percentage of equity attributable to the Company	**31-Mar-18** Percentage of equity attributable to the Company
PT Waka Oberoi Indonesia	Indonesia	0%	57.03%
PT Widja Putra Karya	Indonesia	0%	48.89%

	Place of Incorporation	**31-Mar-19**	**31-Mar-18**
PT Waka Oberoi Indonesia	Indonesia	-	2,549,683
PT Widja Putra Karya	Indonesia	-	7,632,705

During the period the Company transferred the shares in investments to a related entity on conversion of a related party payable.

Notes to the Financial Statements *(Contd...)*

5. Amount due from related party

The prior period amount due from related party is comprised of an amount due from PT Waka Oberoi Indonesia of Euros 3,684,306 (US $4,539,323).

The amount represented a loan to PT Waka Oberoi Indonesia for a nominal amount of US$26,016,500 and was non-interest bearing. The terms of the loan as per the Settlement Agreement, granted the Company the right to convert the Loan into the capital of PT Waka Oberoi Indonesia. The shareholders passed resolutions to convert the loan to capital of PT Waka Oberoi Indonesia in March 2018, which occurred in the period ending 31 March 2019.

6. Amount due to related party

The prior period payable amount represents loans of US$15,749,365 due to EIH Investment N.V., and was unsecured.

7. Staff numbers and employment costs

During the year under review, the Company did not employ any personnel and, consequently, no payments for wages, salaries or social security were made. The Board of Directors consisted of one member, who served without remuneration. The Company does not have a Supervisory Board of Directors.

8. Appropriation of results

Management proposes to accumulate the net result for the year to the retained earnings.

9. Events after Statement of Financial Position Date

No material subsequent events or transactions have been identified.

10. Commitments and Contingencies

There are no outstanding commitments and contingencies at year end.

11. Auditor's Remuneration

	31-Mar-19	31-Mar-18
	€	€
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	**-**	-
	-	-

Auditors' remuneration for the year was borne by a related party.

PT WIDJA PUTRA KARYA

BOARD

Mr. I Wayan Pasek
Mr. Deepak Madhok
Mr. I Ketut Siandana

AUDITORS

Purwantono, Suherman & 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, 2019.

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, 2019 are set out in the financial statements 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 judgments 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 on omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, May 04 2019
on behalf of the Board of Directors

Drs. I Wayan Pasek
President Director

Independent Auditor's Report

Report No. 01131/2.1032/AU.1/10/1175-5/1/V/2019

The Stockholders, 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, 2019, 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 the 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 auditor's 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, 2019, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

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

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 dollars have been made on the basis set forth in Note 2l 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, Sungkoro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

May 7, 2019

Statement of Financial Position
As of March 31, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

	Notes	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		March 31,		March 31,	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2m, 4,18	7,709,689,144	12,115,321,687	541,259	880,730
Trade receivables - third parties	2m, 5,18	2,915,487,397	4,773,961,677	204,682	347,046
Other receivables - third parties	2m,18	24,222,307	63,045,957	1,700	4,583
Inventories	2c, 7	4,130,640,827	3,189,487,112	289,991	231,862
Prepayments and advances	2d, 8	4,039,122,681	3,043,675,520	283,566	221,262
Due from related parties	2b 2m, 6,18	843,096,664	977,894,638	59,190	71,089
Other current financial assets	2m,18	79,359,419	65,701,619	5,571	4,776
TOTAL CURRENT ASSETS		**19,741,618,439**	**24,229,088,210**	**1,385,959**	**1,761,348**
NON-CURRENT ASSETS					
Due from related parties	2b, 2m, 6,18	8,416,907,796	8,702,169,404	590,909	632,609
Fixed assets - net	2e, 2e, 9	26,869,210,503	26,354,889,745	1,886,353	1,915,883
Tax amnesty assets - net	2k,12d	1,861,716,663	2,465,516,667	130,702	179,232
Deferred tax assets - net	2k,12e	3,568,188,001	2,907,891,101	250,505	211,391
Other non-current assets	2m,10,18	7,373,753,601	5,972,879,786	517,675	434,202
Estimated claims for tax refund		-	1,485,583,996	-	107,995
TOTAL NON-CURRENT ASSETS		**48,089,776,564**	**47,888,930,699**	**3,376,144**	**3,481,312**
TOTAL ASSETS		**67,831,395,003**	**72,118,018,909**	**4,762,103**	**5,242,660**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Financial Position *(Contd...)*
As of March 31, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		March 31,		March 31,	
	Notes	2019	2018	2019	2018
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables					
-third parties	2m,11,18	1,363,442,273	2,017,314,667	95,720	146,650
Other payables	2m,18				
Third parties		565,972,502	150,283,494	39,734	10,925
Related parties	2b,6	129,314,420	505,069,762	9,079	36,716
Taxes payable	2k,12a	2,011,412,061	2,018,217,187	141,211	146,715
Accrued expenses	2m,13,18	5,283,478,785	5,291,000,926	370,926	384,632
Due to hotel operator	2b,2m,6, 14,18	101,887,334	351,588,742	7,153	25,559
Reserve for replacement of furniture, fixtures and equipment	2g,15	6,599,613,796	4,948,707,978	463,326	359,749
Other current liabilities	2m,16	8,631,399,747	8,298,206,811	605,968	603,238
TOTAL CURRENT LIABILITIES		**24,686,520,918**	**23,580,389,567**	**1,733,117**	**1,714,184**
NON-CURRENT LIABILITY					
Long-term employee benefits liability	2h,17	10,268,054,464	9,252,482,154	720,869	672,614
TOTAL LIABILITIES		**34,954,575,382**	**32,832,871,721**	**2,453,986**	**2,386,798**
EQUITY					
Capital stock - Rp100,000 par value per share Authorized, issued and fully paid - 11,070 shares	19	1,107,000,000	1,107,000,000	659,603	659,603
Additional paid in capital	2k,12d	3,019,000,000	3,019,000,000	226,635	226,635
Other comprehensive loss					
Re-measurement loss on long-term employee benefits liability		(1,775,131,567)	(1,595,383,739)	(132,067)	(119,584)
Translation adjustment	2l	-	-	(3,175,919)	(3,072,922)
Retained earnings		30,525,951,188	36,754,530,927	4,729,865	5,162,130
TOTAL EQUITY		**32,876,819,621**	**39,285,147,188**	**2,308,117**	**2,855,862**
TOTAL LIABILITIES AND EQUITY		**67,831,395,003**	**72,118,018,909**	**4,762,103**	**5,242,660**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Comprehensive Income
For the Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2019	2018	2019	2018
DEPARTMENTAL REVENUES	2i, 20				
Rooms		70,030,446,008	63,275,039,414	4,854,779	4,717,511
Food and beverages		21,810,771,532	20,204,695,588	1,512,704	1,506,145
Other operating departments		6,084,090,939	5,844,859,595	422,663	435,517
Total Departmental Revenues		**97,925,308,479**	**89,324,594,597**	**6,790,146**	**6,659,173**
COST OF GOODS SOLD AND SERVICES	**2i,21**	**41,271,563,014**	**37,628,466,636**	**2,869,870**	**2,802,696**
GROSS PROFIT		**56,653,745,465**	**51,696,127,961**	**3,920,276**	**3,856,477**
HOTEL OPERATING EXPENSES					
Property operations, maintenance and energy expenses	22	14,771,623,929	15,663,908,240	1,027,170	1,166,471
General and administrative expenses	23	11,652,640,539	10,715,054,650	810,693	798,035
Marketing and sales promotion expenses	24	8,272,355,931	7,803,419,137	574,856	582,652
Total Hotel Operating Expenses		**34,696,620,399**	**34,182,382,027**	**2,412,719**	**2,547,158**
HOTEL GROSS OPERATING PROFIT		**21,957,125,066**	**17,513,745,934**	**1,507,557**	**1,309,319**
OWNER'S OPERATING (INCOME) EXPENSES	2i				
Depreciation and amortization		4,124,065,342	4,013,105,029	286,150	297,072
Professional fees		3,620,291,148	1,451,723,116	250,243	107,337
Management fee	6, 25a	2,744,640,633	2,189,218,242	188,445	163,665
Salaries and wages		2,032,919,684	1,953,818,303	141,388	145,334
Insurance		1,831,572,883	1,791,568,077	134,718	134,230
Tax expense		1,527,272,290	295,077,456	101,575	22,002
Rental		1,341,779,111	1,252,309,444	92,334	87,169
Foreign exchange losses (gain) - net		360,981,915	(433,231,100)	-	-
Finance income - net		(2,642,384)	(9,148,468)	(187)	(679)
Other operating expenses - net		482,713,194	724,454,920	33,465	58,536
Total Owner's Operating Expenses - Net		**18,063,593,816**	**13,228,895,019**	**1,228,131**	**1,014,666**
INCOME BEFORE INCOME TAX		**3,893,531,250**	**4,284,850,915**	**279,426**	**294,653**
Income tax expense - net	2k,12d	(4,446,510,989)	(2,424,784,901)	(311,691)	(176,271)
NET INCOME (LOSS) FOR THE YEAR		**(552,979,739)**	**1,860,066,014**	**(32,265)**	**118,382**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Comprehensive Income *(Contd...)*
For the Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	**2019**	**2018**	**2019**	**2018**
OTHER COMPREHENSIVE INCOME (LOSS)					
Item not to be reclassified to profit or loss in subsequent periods:					
Re-measurement gain (loss) on long-term employee benefits liability		(239,663,771)	(273,344,387)	(16,644)	(19,871)
Related deferred income tax		59,915,943	68,366,097	4,161	4,970
Item to be reclassified to profit or loss in subsequent periods:					
Difference in foreign currency translation		-	-	(102,997)	(85,519)
Other Comprehensive Loss, Net of Tax		**(179,747,828)**	**(204,978,290)**	**(115,480)**	**(100,420)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(732,727,567)**	**1,655,087,724**	**(147,745)**	**17,962**

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, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

		Indonesian Rupiah				
	Note	Capital Stock	Additional Paid in Capital (Note 2k)	Other Comprehensive Loss	Retained Earnings	Total Equity
Balance as of March 31, 2017		**1,107,000,000**	**-**	**(1,390,405,449)**	**40,396,464,913**	**40,113,059,464**
Net income for the year		-	-	-	1,860,066,014	1,860,066,014
Additional paid-in capital - Tax amnesty	12d	-	3,019,000,000	-	-	3,019,000,000
Re-measurement loss on long-term employee benefits liability		-	-	(204,978,290)	-	(204,978,290)
Cash dividend	19	-	-	-	(5,502,000,000)	(5,502,000,000)
Balance as of March 31, 2018		**1,107,000,000**	**3,019,000,000**	**(1,595,383,739)**	**36,754,530,927**	**39,285,147,188**
Net loss for the year		-	-	-	(552,979,739)	(552,979,739)
Re-measurement loss on long-term employee benefits liability		-	-	(179,747,828)	-	(179,747,828)
Cash dividend	19	-		-	(5,675,600,000)	(5,675,600,000)
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**

		Translations Into U.S. Dollar - Unaudited (Note 2l)					
	Note	Capital Stock	Additional Paid-in Capital (Note 25)	Retained Earnings	Other Comprehensive Loss	Translation Adjustment	Total Equity
Balance as of March 31, 2017		**659,603**	**-**	**5,443,748**	**(104,683)**	**(2,987,403)**	**3,011,265**
Net income for the year		-	-	118,382	-	-	118,382
Re-measurement loss on long-term employee benefits liability		-	-	-	(14,901)	-	(14,901)
Additional paid-in capital - Tax amnesty	12d	-	226,635	-	-	-	226,635
Cash dividend		-	-	(400,000)	-	-	(400,000)
Translation adjustment		-	-	-	-	(85,519)	(85,519)
Balance as of March 31, 2018		**659,603**	**226,635**	**5,162,130**	**(119,584)**	**(3,072,922)**	**2,855,862**
Net loss for the year		-	-	(32,265)	-	-	(32,265)
Re-measurement loss on long-term employee benefits liability		-	-	-	(12,483)	-	(12,483)
Cash dividend	19	-	-	(400,000)	-	-	(400,000)
Translation adjustment		-		-		(102,997)	(102,997)
Balance as of March 31, 2019		**659,603**	226,635	**4,729,865**	**(132,067)**	**(3,175,919)**	**2,308,117**

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, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		3,893,531,250	4,284,850,915	279,426	294,653
Adjustments to reconcile income before income tax for the year to net cash flows provided by operating activities:					
Depreciation and amortization	9, 10, 12	4,124,065,342	4,013,105,029	286,150	297,072
Provision for replacement of furniture, fixtures and equipment	15,22	2,937,759,253	2,679,737,837	203,704	199,775
Land rent expense		884,416,837	1,243,909,444	56,270	90,426
Provision for employee benefits - net	17	775,908,539	800,206,040	53,468	58,170
Unrealized loss on forex - net		360,981,915	433,231,100	-	-
Changes in operating assets and liabilities:					
Trade receivables		1,033,259,600	(1,805,368,546)	77,526	(136,668)
Other receivables - third parties		38,823,650	(48,942,946)	2,726	(3,558)
Due from related parties		134,797,976	(764,922,349)	10,074	(59,606)
Inventories		(941,153,715)	260,173,988	(66,074)	18,913
Other current financial asset		(13,657,803)	22,433,836	(959)	1,631
Prepayments and advances		(1,124,313,636)	(1,080,251,520)	(78,932)	(78,529)
Trade payables		(653,872,394)	215,745,224	(45,905)	15,684
Other payables		39,933,666	56,906,826	2,804	4,137
Taxes payable		(3,568,113,059)	(2,677,299,209)	(250,499)	(194,628)
Accrued expenses		(53,775,185)	497,719,531	(3,775)	36,182
Due to hotel operator		(213,195,961)	236,735,014	(14,967)	17,044
Other current liabilities		333,192,920	216,496,467	23,392	15,438
Net Cash Flows Provided by Operating Activities		**7,988,589,195**	**8,584,466,681**	**534,429**	**576,136**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

Statement of Cash Flows *(Contd...)*
For the Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

		Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
		Year Ended March 31,		**Year Ended March 31,**	
	Notes	**2019**	**2018**	**2019**	**2018**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	9	(3,987,257,152)	(6,773,152,277)	(275,360)	(496,992)
Payment of due from related parties		-	(601,068,077)	-	(43,696)
Other non-current assets		(1,534,599,401)	-	(107,737)	-
Utilization of reserve for replacement of furniture, fixtures and equipment	15	(1,286,853,435)	(219,215,658)	(90,803)	(15,992)
Net Cash Flows Used in Investing Activities		**(6,808,709,988)**	**(7,593,436,012)**	**(473,900)**	**(556,680)**
CASH FLOWS FROM FINANCING ACTIVITY					
Payments of cash dividends	19	(5,675,600,000)	(5,502,000,000)	(400,000)	(400,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(4,495,720,793)**	**(4,510,969,331)**	**(339,471)**	**(380,544)**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**90,088,250**	**(175,140,405)**	**-**	**-**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	**12,115,321,687**	**16,801,431,423**	**880,730**	**1,261,274**
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**7,709,689,144**	**12,115,321,687**	**541,259**	**880,730**

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, 2019 and For the Year Then ended

(Expressed in 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, 2019 and 2018 is as follows:

March 31, 2019

Board of Commissioners			Board of Directors		
Sudarshan Vedaji Rao	-	President Commissioner	I Wayan Pasek	-	President Director
I Ketut Siandana	-	Commissioner	Deepak Madhok	-	Director
I.B. Yudana	-	Commissioner	I Made Sutarjana	-	Director

March 31, 2018

Board of Commissioners			Board of Directors		
I Made Sutarjana	-	President Commissioner	I Wayan Pasek	-	President Director
Sudarshan Vedaji Rao	-	Commissioner	Deepak Madhok	-	Director
I.B. Yudana	-	Commissioner	I Ketut Siandana	-	Director

The Company has a total of¬ 201 and 193 permanent employees as of March 31, 2019 and 2018, respectively (unaudited).

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 May 7, 2019.

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. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7 (Revised 2015), "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.

c. 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.

d. 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.

e. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

f. 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.

g. Provisions

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.

h. Employee Benefits Liability

<u>Short-term employee benefits</u>

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.

<u>Post-employment benefits</u>

The Company 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".

The Company applied the revised policy for recognizing actuarial gains or losses, which are directly recognized in other comprehensive income.

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.

Past service costs are recognized immediately in profit or loss.

i. Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value-Added Taxes ("VAT").

Expenses are recognized when they are incurred.

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.

Notes to the Financial Statements *(Contd...)*

j. 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, 2019 and 2018, the rates of exchange used were Rp14,244 and Rp13,756, respectively, to US$1.

k. 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. The Company also presented interest/penalty, if any, as part of "Income tax expense - net".

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.

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.

l. 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 (Rp14,244 to US$1 and Rp13,756 to US$1 as last quoted by Bank Indonesia as of March 31, 2019 and 2018, 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.

Notes to the Financial Statements *(Contd...)*

m. Financial instruments

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, 2019 and 2018, 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, 2019 and 2018, the Company's financial liabilities included trade and other payables, accrued expenses (excluding accruals relating to employee benefits), due to hotel operator 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.

<u>Credit risk adjustment</u>

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 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.

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 2m.

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.

Impairment of Trade Receivables

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 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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

4. CASH ON HAND AND CASH EQUIVALENTS

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March, 31		March, 31	
	2019	2018	2019	2018
Cash on hand				
Rupiah	83,586,825	136,638,881	5,687	9,933
Cash in banks				
Rupiah				
PT Bank Central Asia Tbk	1,716,878,784	54,353,771	120,533	3,951
PT Bank Negara Indonesia (Persero) Tbk	1,347,568,805	2,636,127,146	94,788	191,635
PT Bank Mandiri (Persero) Tbk	509,171,206	111,472,724	35,746	8,104
PT Bank Maybank Indonesia Tbk	-	261,886,701	-	19,038
US dollars				
PT Bank Negara Indonesia (Persero)Tbk	4,039,585,438	3,894,699,278	283,599	283,127
PT Bank Maybank Indonesia Tbk	8,772,026	8,918,977	616	648
PT Bank Mandiri (Persero) Tbk	4,126,060	11,224,209	290	816
Time Deposits				
PT Bank Mandiri (Persero) Tbk	-	5,000,000,000	-	363,478
Total	**7,709,689,144**	**12,115,321,687**	**541,259**	**880,730**

As of March 31, 2019 and 2018, 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 Unaudited (Note 2l)	
	March, 31		March, 31	
	2019	2018	2019	2018
City ledger	2,645,008,653	3,478,744,333	185,693	252,889
Guest ledger	270,478,744	1,295,217,344	18,989	94,157
Total	2,915,487,397	4,773,961,677	204,682	347,046

Notes to the Financial Statements (Contd...)

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

5. TRADE RECEIVABLES - THIRD PARTIES *(Contd...)*

The aging of trade receivables-third parties is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March, 31		March, 31	
	2019	2018	2019	2018
Current	2,472,019,592	4,503,868,749	173,548	327,411
Overdue :				
1-30 days	261,369,544	211,813,604	18,350	15,398
31-60 days	69,244,545	43,607,636	4,861	3,170
Over 60 days	112,853,716	14,671,688	7,923	1,067
Total	**2,915,487,397**	**4,773,961,677**	**204,682**	**347,046**

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, 2019 and 2018.

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:

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March, 31		March, 31	
	2019	2018	2019	2018
Dues from related parties:				
Current:				
PT Waka Oberoi Indonesia	843,096,664	977,894,638	59,190	71,089
Total	**843,096,664**	**977,894,638**	**59,190**	**71,089**
Non-current:				
PT Waka Gae Selaras	4,320,205,200	4,745,820,000	303,300	345,000
EIH International Ltd	2,579,403,228	2,491,032,772	181,087	181,087
EIH Holdings Ltd	1,517,299,368	-	106,522	-
EIH Management Services B.V.	-	1,465,316,632	-	106,522
Total	**8,416,907,796**	**8,702,169,404**	**590,909**	**632,609**
Other payables				
EIH Holdings Ltd	129,314,420	-	9,079	-
EIH Management Services B.V	-	505,069,762	-	36,716
Due to hotel operator: (Note 14)				
EIH Holdings Limited	101,887,334	-	7,153	-
EIH Management Services B.V.	-	351,588,742	-	25,559

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

Salaries and wages of the Company's key management personnel amounted to Rp1,360,052,725 (US$94,012) and Rp1,305,477,201 (US$95,238) in 2019 and 2018, respectively (unaudited).

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	Shareholders	Advances
b.	EIH International Limited	Shareholders	Advances and operating expenses
c.	EIH Holdings Ltd	Shareholder	Advances and operating expenses
d.	EIH Management Services B.V.	Under Common Control	Advances for management service
e.	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:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Materials and supplies	1,503,601,864	1,231,714,904	105,560	89,540
Food	1,395,593,488	938,987,330	97,978	68,260
Beverages	1,222,840,634	1,013,567,454	85,850	73,682
Tobacco	8,604,841	5,217,424	603	380
Total	**4,130,640,827**	**3,189,487,112**	**289,991**	**231,862**

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2019 and 2018 since the inventories are fully usable.

8. PREPAYMENT AND ADVANCES

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Prepaid expenses - Insurance	3,252,755,840	2,015,511,207	228,359	146,519
Prepaid expenses - others	575,892,071	496,441,501	40,430	36,089
Advance on purchase	124,078,134	316,459,702	8,712	23,005
Prepaid expenses - land rent	86,396,636	215,263,110	6,065	15,649
Total	**4,039,122,681**	**3,043,675,520**	**283,566**	**221,262**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

9. FIXED ASSETS - NET

The details of fixed assets are as follows:

	Indonesian Rupiah			
	Year Ended March 31, 2019			
	Beginning Balance	**Additions**	**Deductions**	**Ending Balance**
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	17,782,913,425	1,330,771,500	-	19,113,684,925
Structures and improvements	12,188,667,201	-	-	12.188,667,201
Machinery and equipment	7,081,962,560	373,666,160	-	7,455,628,720
Furniture, fixtures and equipment	26,688,493,135	931,436,315	-	27,619,929,450
Motor vehicles	1,208,075,280	486,200,000	-	1,694,275,280
Construction in progress	5,016,759,001	865,183,177	-	5,881,942,178
Total Cost	70,061,724,977	3,987,257,152	-	74,048,982,129
Accumulated Depreciation				
Buildings	7,051,569,566	749,206,815	-	7,800,776,381
Structures and improvements	7,255,137,242	690,899,791	-	7,946,037,033
Machinery and equipment	5,238,415,219	479,145,364	-	5,717,560,583
Furniture, fixtures and equipment	22,977,369,591	1,475,844,424	-	24,453,214,015
Motor vehicles	1,184,343,614	77,840,000	-	1,262,183,614
Total Accumulated Depreciation	43,706,835,232	3,472,936,394	-	47,179,771,626
Net Book Value	**26,354,889,745**			**26,869,210,503**

	Indonesian Rupiah			
	Year Ended March 31, 2018			
	Beginning Balance	**Additions**	**Reclassification**	**Ending Balance**
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	15,900,348,345	1,882,565,080	-	17,782,913,425
Structures and improvements	12,160,063,681	28,603,520	-	12,188,667,201
Machinery and equipment	6,730,023,360	351,939,200	-	7,081,962,560
Furniture, fixtures and equipment	25,493,228,741	1,195,264,394	-	26,688,493,135
Motor vehicles	1,198,375,280	24,550,000	(14,850,000)	1,208,075,280
Construction in progress	1,726,528,918	3,290,230,083	-	5,016,759,001
Total Cost	63,303,422,700	6,773,152,277	(14,850,000)	70,061,724,977
Accumulated Depreciation				
Buildings	6,382,019,509	669,550,057	-	7,051,569,566
Structures and improvements	6,554,285,873	700,851,369	-	7,255,137,242
Machinery and equipment	4,751,271,176	487,144,043	-	5,238,415,219
Furniture, fixtures and equipment	21,413,640,306	1,563,729,285	-	22,977,369,591
Motor vehicles	1,198,375,280	818,334	(14,850,000)	1,184,343,614
Total Accumulated Depreciation	40,299,592,144	3,422,093,088	(14,850,000)	43,706,835,232
Net Book Value	**23,003,830,556**			**26,354,889,745**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

9. FIXED ASSETS *(Contd...)*

	Translations into U.S. Dollar - Unaudited (Note 2l)				
	Year Ended March 31, 2019				
	Beginning Balance	**Additions**	**Deduction**	**Translation Adjustment**	**Ending Balance**
Cost					
Land	6,895	-	-	(236)	6,659
Buildings	1,292,739	92,009	-	(42,872)	1,341,876
Structures and improvements	886,062	-	-	(30,357)	855.705
Machinery and equipment	514,827	25,184	-	(16,588)	523,423
Furniture, fixtures and equipment	1,940,135	63,708	-	(64,786)	1,939,057
Motor vehicles	87,822	33,719	-	(2,594)	118,947
Construction in progress	364,696	60,740	-	(12,494)	412,942
Total Cost	5,093,176	275,360	-	(169,927)	5,198,609
Accumulated Depreciation					
Buildings	512,618	52,076	-	(17,040)	547,654
Structures and improvements	527,416	48,024	-	(17,589)	557,851
Machinery and equipment	380,809	33,305	-	(12,713)	401,401
Furniture, fixtures and equipment	1,670,353	102,584	-	(56,200)	1,716,737
Motor vehicles	86,097	5,411	-	(2,895)	88,613
Total Accumulated Depreciation	3,177,293	241,400	-	(106,437)	3,312,256
Net Book Value	**1,915,883**				**1,886,353**

	Translations into U.S. Dollar - Unaudited (Note 2l)				
	Year Ended March 31, 2018				
	Beginning Balance	**Additions**	**Reclassification**	**Translation Adjustment**	**Ending Balance**
Cost					
Land	7,121	-	-	(226)	6,895
Buildings	1,193,630	139,470	-	(40,361)	1,292,739
Structures and improvements	912,849	2,145	-	(28,932)	886,062
Machinery and equipment	505,219	25,948	-	(16,340)	514,827
Furniture, fixtures and equipment	1,913,762	88,437	-	(62,064)	1,940,135
Motor vehicles	89,961	1,807	(1,080)	(2,866)	87,822
Construction in progress	129,610	239,185		(4,099)	364,696
Total Cost	4,752,152	496,992	(1,080)	(154,888)	5,093,176
Accumulated Depreciation					
Building	479,095	49,713	-	(16,190)	512,618
Structures and improvements	492,027	52,037	-	(16,648)	527,416
Machinery and equipment	356,675	36,171	-	(12,037)	380,809
Furniture, fixtures and equipment	1,607,509	116,068	-	(53,224)	1,670,353
Motor vehicles	89,961	61	(1,080)	(2,845)	86,097
Total Accumulated Depreciation	3,025,267	254,050	(1,080)	(100,944)	3,177,293
Net Book Value	**1,726,885**				**1,915,883**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

9. **FIXED ASSETS** *(Contd...)*

Depreciation and amortization charged to operations amounted to Rp4,124,065,342 (US$286,150) and Rp4,013,105,029 (US$297,072) for the years ended March 31, 2019 and 2018, respectively. Depreciation arising from fixed assets amounted to Rp3,472,936,394 (US$241,400) and Rp3,422,093,088 (US$254,050) in 2019 and 2018, respectively. Depreciation arising from tax amnesty assets amounted to Rp603,800,004 (US$41,447) and Rp553,483,333 (US$40,236) in 2019 and 2018 (Note 12d) while amortization arising from deferred cost of landrights amounted to Rp47,328,944 (US$3,303) and Rp37,528,608 (US$2,786) in 2019 and 2018, 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 are covered by insurance against losses from fire and other risks under blanket policies for US$40,150,000 (Rp571,896,600,000) as of March 31, 2019. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

As of March 31, 2019 and 2018, the Company's management believes that there is no impairment in the assets value as contemplated in PSAK No. 48.

10. **OTHER NON-CURRENT ASSETS**

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March, 31		March, 31	
	2019	**2018**	**2019**	**2018**
Long-term prepaid rent	5,921,416,664	5,931,083,330	415,713	431,164
Deferred cost of landrights - net	1,438,686,937	28,146,456	101,003	2,046
Security deposits	13,650,000	13,650,000	959	992
Total	**7,373,753,601**	**5,972,879,786**	**517,675**	**434,202**

11. **TRADE PAYABLES - THIRD PARTIES**

This account consists mainly of liabilities to the Hotel's suppliers of goods and services amounting to Rp1,363,442,273 (US$95,720) and Rp2,017,314,667 (US$146,650) as of March 31, 2019 and 2018, respectively.

12. **TAXATION**

a. Taxes payable consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Development tax I	507,761,822	864,678,983	35,647	62,858
Income tax				
Article 21	149,496,421	140,181,031	10,495	10,190
Article 23	893,711,188	561,692,671	62,743	40,832
Article 25	258,813,479	250,198,416	18,170	18,190
Article 29	7,038,128	15,755,546	494	1,145
Value added tax	194,591,023	185,710,540	13,662	13,500
Total	**2,011,412,061**	**2,018,217,187**	**141,211**	**146,715**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

12. TAXATION *(Contd...)*

b. A reconciliation between income before income tax per statement of profit or loss and other comprehensive income, and estimated taxable income follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Income before income tax per statement of profit or loss and other comprehensive income	3,893,531,250	4,284,850,915	279,426	294,653
Temporary differences:				
Provision for replacement of furniture, fixtures and equipment - net	1,650,905,818	2,460,522,179	112,901	183,783
Employee benefits - net	775,908,539	800,206,040	53,468	58,170
Depreciation	(25,290,532)	(103,589,946)	(1,756)	(7,699)
Permanent differences:				
interest income already subjected to final tax	(257,391,675)	(232,922,650)	(17,880)	(17,309)
Non-deductible expenses	6,344,615,898	5,647,212,417	440,628	419,649
Estimated taxable income for the year	**12,382,279,298**	**12,856,278,955**	**866,787**	**931,247**

c. Computation of estimated current income tax expense and estimated income tax payable is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Estimated taxable income (rounded off)	12,382,279,000	12,856,278,000	866,787	931,247
Current income tax expense	3,095,569,750	3,214,069,500	216,696	232,812
Prepayments of income tax article 25	(3,088,531,622)	(3,198,313,954)	(216,830)	(232,503)
Transaction adjustments	-	-	628	836
Estimated income tax payable	**7,038,128**	**15,755,546**	**494**	**1,145**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

12. TAXATION *(Contd...)*

d. The reconciliation between the income tax expense derived by multiplying the income before income tax 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:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Income before income tax	3,893,531,250	4,284,850,915	279,426	294,653
Tax expense at the applicable rate	973,382,813	1,071,212,729	69,856	73,663
Tax effect on permanent differences:				
Interest income already subjected to final tax	(64,347,919)	(58,230,663)	(4,470)	(4,327)
Non-deductible expenses	1,586,153,704	1,411,802,835	110,159	216,434
Translation adjustments	-	-	628	(109,499)
Income tax expense				
Current year	2,495,188,598	2,424,784,901	176,173	176,271
Prior year	1,951,322,391	-	135,518	-
Total	**4,446,510,989**	**2,424,784,901**	**311,691**	**176,271**

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). Up to the date of this report, the decision from Tax Office regarding the objection has not been finalized yet.

On March 30, 2017, the Company decided to participate in the tax amnesty program. According to tax amnesty law, tax payers who participate in tax amnesty program can not claim their overpayment of prior years' corporate income tax. Thus, the Company can not claim the prior year overpayment of corporate income tax amounting to Rp2,319,400,342 (US$174,706). As such, the Company recorded it as current tax expense in the statement of profit or loss and other comprehensive income.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

12. TAXATION *(Contd...)*

The movements of the tax amnesty assets are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Net book value at beginning of year	2,465,516,667	3,019,000,000	179,232	226,635
Depreciation during the year (note 9)	(603,800,004)	(553,483,333)	(41,447)	(40,236)
Translation adjustment	-	-	(7,083)	(7,167)
Net book value at end of year	**1,861,716,663**	**2,465,516,667**	**130,702**	**179,232**

e. Deferred tax assets - net consists of:

	Indonesian Rupiah			
		Deferred tax Benefit (Expense) Credited (Charged) to		
	April 1, 2018	Profit or Loss	Other Comprehensive Income	March 31, 2019
Deferred tax assets				
Employee benefits liability	2,313,150,540	193,977,135	59,915,943	2,567,043,618
Reserve for replacement of furniture, fixtures and equipment	1,237,176,996	412,726,455	-	1,649,903,451
Total deferred tax assets	3,550,327,536	606,703,590	59,915,943	4,216,947,069
Deferred tax liabilities				
Depreciation and amortization - net	(642,436,435)	(6,322,633)	-	(648,759,068)
Net deferred tax assets	**2,907,891,101**	**600,380,957**	**59,915,943**	**3,568,188,001**

	Indonesian Rupiah			
		Deferred tax Benefit (Expense) Credited (Charged) to		
	April 1, 2017	Profit or Loss	Other Comprehensive Income	March 31, 2018
Deferred tax assets				
Employee benefits liability	2,044,732,933	200,051,510	68,366,097	2,313,150,540
Reserve for replacement of furniture, fixtures and equipment	622,046,451	615,130,545	-	1,237,176,996
Total deferred tax assets	2,666,779,384	815,182,055	68,366,097	3,550,327,536
Deferred tax liabilities				
Depreciation and amortization - net	(616,538,979)	(25,897,456)	-	(642,436,435)
Net deferred tax assets	**2,050,240,405**	**789,284,599**	**68,366,097**	**2,907,891,101**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

12. TAXATION *(Contd...)*

e. Deferred tax assets (liabilities) consists of: *(Contd...)*

	Translations into US dollar - Unaudited (Note 2l) Deferred tax Benefit (Expense) Credited (Charged) to				
	April 1, 2018	**Profit or Loss**	**Other Comprehensive Income**	**Translation adjustment**	**March 31, 2019**
Deferred tax assets					
Employee benefits liability	193,380	13,367	4,161	-	210,908
Reserve for replacement of furniture, fixtures and equipment	99,301	28,225	-	-	127,526
Total deferred tax assets	292,681	41,592	4,161	-	338,434
Deferred tax liabilities					
Depreciation and amortization - net	(66,866)	(439)	-	-	(67,305)
Translation adjustment	(14,424)	-	-	(6,200)	(20,624)
Net deferred tax assets	**211,391**	**41,153**	**4,161**	**(6,200)**	**250,505**

	Translations into US dollar - Unaudited (Note 2l) Deferred tax Benefit (Expense) Credited (Charged) to				
	April 1, 2017	**Profit or Loss**	**Other Comprehensive Income**	**Translation adjustment**	**March 31, 2018**
Deferred tax assets					
Employee benefits liability	173,867	14,543	4,970	-	193,380
Reserve for replacement of furniture, fixtures and equipment	53,356	45,945	-	-	99,301
Total deferred tax assets	227,223	60,488	4,970	-	292,681
Deferred tax liabilities					
Depreciation and amortization - net	(64,942)	(1,924)	-	-	(66,866)
Translation adjustment	(8,371)	-	-	(6,053)	(14,424)
Net deferred tax assets	**153,910**	**58,564**	**4,970**	**(6,053)**	**211,391**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

13. ACCRUED EXPENSES

The details of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Salaries and employee benefit	1,585,491,450	2,418,302,032	111,309	175,800
Audit and consultant fees	1,103,429,679	780,393,240	77,466	56,731
Tax consultant fees	818,573,804	417,455,421	57,468	30,347
Heat, light and power	625,632,834	475,306,922	43,923	34,553
Others	1,150,351,018	1,199,543,311	80,760	87,201
Total	**5,283,478,785**	**5,291,000,926**	**370,926**	**384,632**

14. DUE TO HOTEL OPERATOR

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Balance at beginning of year	351,588,742	117,128,012	25,559	8,793
Management fee - 12.5% of hotel Gross operating profit (Notes 25)	2,744,640,633	2,189,218,242	188,445	163,666
Payments	(2,957,836,593)	(1,957,031,796)	(206,851)	(146,900)
Unrealized loss (gain) on foreign exchange - net	(36,505,448)	2,274,284	-	-
Balance at the end of year	**101,887,334**	**351,588,742**	**7,153**	**25,559**

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 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Balance at beginning of year	4,948,707,978	2,488,185,799	359,749	186,787
Provisions during the year (Note 22)	2,937,759,253	2,679,737,837	203,704	199,775
Utilization of reserve	(1,286,853,435)	(219,215,658)	(90,803)	(15,992)
Translation adjustment	-	-	(9,324)	(10,821)
Balance at end of year	**6,599,613,796**	**4,948,707,978**	**463,326**	**359,749**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

16. OTHER CURRENT LIABILITIES

This account consists of :

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Deposits from customers	8,139,785,370	7,535,502,868	571,454	547,796
Service charge	387,786,378	689,493,960	27,225	50,121
Others	103,827,999	73,209,983	7,289	5,321
Total	**8,631,399,747**	**8,298,206,811**	**605,968**	**603,238**

17. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The Company's long-term employee benefits liability consists only of post-employment benefits.

The Company provides post-employment benefits to its employees 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 April 10, 2019 and April 12, 2018, using the "projected-unit-credit" method are as follows:

The key assumptions used in determining the employee benefits liability are as follows:

Discount rate	:	8.70% in 2019 and 7.35% in 2018
Annual salary increase	:	8.5% in 2019 and 8% in 2018
Mortality	:	TMI III
Retirement age	:	55 years
Disability rate	:	5% of mortality table TMI III

a. Details of post-employment benefits expense:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Current service cost	694,669,463	647,287,687	48,246	47,054
Interest cost	639,057,765	617,174,080	44,383	44,865
Total post-employee benefits expense	**1,333,727,228**	**1,264,461,767**	**92,629**	**91,919**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

b. Details of post-employment benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Present value of defined Benefits obligation	10,268,054,464	9,252,482,154	720,869	672,614

c. Movements in post-employment benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Beginning balance	9,252,482,154	8,178,931,727	672,614	613,988
Provision during the year	1,333,727,228	1,264,461,767	92,629	91,919
Payment during the year	(557,818,689)	(464,255,727)	(39,161)	(33,749)
Actuarial loss (gain) from Experience adjustment	871,467,966	(29,986,140)	60,523	(2,180)
Change in financial assumption	(631,804,195)	303,330,527	(43,878)	22,050
Translation adjustment	-	-	(21,858)	(19,414)
Employee benefits liability	**10,268,054,464**	**9,252,482,154**	**720,869**	**672,614**

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)	:	3,862,112,677
Between 2 and 5 years	:	2,074,678,756
Between 5 and 10 years	:	5,274,929,763
Beyond 10 years	:	147,982,066,007

The average duration of the long-term employee benefits liability is 19 years.

e. 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, 2019 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Discount Rate	Salary Rate	Discount Rate	Salary Rate
Increase by 1%	(580,389,101)	662,962,922	(40,746)	46,544
Decrease by 1%	673,376,166	(581,726,873)	47,724	(40,840)

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

18. 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 Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Financial Assets - Loans and Receivables				
Cash and cash equivalents	7,709,689,144	12,115,321,687	541,259	880,730
Trade receivables - third parties	2,915,487,397	4,773,961,677	204,682	347,046
Other receivables - third parties	24,222,307	63,045,957	1,700	4,583
Other current financial assets - employee loans	79,359,419	65,701,619	5,571	4,776
Due from related parties	9,260,004,460	9,680,064,042	650,099	703,698
Other non - current assets - security deposits	13,650,000	13,650,000	959	992
Total Financial Assets	**20,002,412,727**	**26,711,744,982**	**1,404,270**	**1,941,825**
Financial Liabilities - Financial Liabilities Measured at Amortized Cost				
Trade payables - third parties	1,363,442,273	2,017,314,667	95,720	146,650
Other payables	695,286,922	655,353,256	48,813	47,641
Accrued expenses	5,283,478,785	5,291,000,926	370,926	384,632
Due to hotel operator	101,887,334	351,588,742	7,153	25,559
Other current financial liabilities - deposits from customers	8,139,785,370	7,535,502,868	571,454	547,796
Total Financial Liabilities	**15,583,880,684**	**15,850,760,459**	**1,094,066**	**1,152,278**

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, 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:

- 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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

19. CAPITAL STOCK

The share ownership details as of March 31, 2019 and 2018 are as follows:

	March 31, 2019			
Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar Unaudited (Note 2l)
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 Limited	2,337	21.11	233,700,000	139,250
Total	**11,070**	**100.00**	**1,107,000,000**	**659,603**

	March 31, 2018			
Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar Unaudited (Note 2l)
EIH Management Services B.V.	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:

a. On March 31, 2019 the shareholders approved to declare cash dividends amounting to US$400,000 (equivalent to Rp5,675,000,000) as interim dividend for financial year 2018. This cash dividend was paid on March 27, 2019.

b. On March 9, 2018, the shareholders approved to declare cash dividends amounting to US$400,000 (equivalent to Rp5,502,000,000) as interim dividend for financial year 2017. This cash dividend was paid on March 15, 2018.

Based on annual general meeting of shareholders of the Company, the shareholders agreed and approved to sell and transfer 5,412 shares, including the related rights and obligations, which was held and owned by EIH Management Services B.V. to EIH Holdings Ltd effective March 19, 2019. The annual general meeting of shareholders has been received and approved by the Minister of Law and Human Rights dated November 27, 2018.

20. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Room Department				
Lanai	49,211,987,735	42,897,362,082	1,444,420	3,199,216
Villa	20,818,458,273	20,377,677,332	3,410,359	1,518,295
Total Room Department	**70,030,446,008**	**63,275,039,414**	**4,854,779**	**4,717,511**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

20. DEPARTMENTAL REVENUES (continued)

The details of departmental revenues are as follows: (continued)

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Food and Beverages Department				
Food	15,875,236,244	14,717,859,732	1,101,153	1,097,292
Beverage	5,749,855,619	5,306,159,180	398,668	395,420
Others	185,679,669	180,676,676	12,883	13,433
Total Food and Beverages Department	**21,810,771,532**	**20,204,695,588**	**1,512,704**	**1,506,145**
Other Operating Departments				
Health spa	2,359,629,777	2,363,715,441	163,814	176,193
Boutique	1,536,454,186	1,385,178,085	106,780	103,274
Others	2,188,006,976	2,095,966,069	152,069	156,050
Total Other Operating Departments	**6,084,090,939**	**5,844,859,595**	**422,663**	**435,517**
Total Departmental Revenues	**97,925,308,479**	**89,324,594,597**	**6,790,146**	**6,659,173**

In 2019 and 2018, the average hotel room occupancy rates were 55.40 % and 53.60%, respectively (unaudited).

21. 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 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Food and Beverages	**6,229,680,036**	**5,771,038,796**	**432,045**	**430,211**
Payroll and Related Expenses				
Salaries and wages	10,210,587,119	10,575,128,263	827,580	786,958
Employee benefits	6,149,500,080	5,354,021,089	311,952	398,937
Total Payroll and Related Expenses	**16,360,087,199**	**15,929,149,352**	**1,139,532**	**1,185,895**
Other Expenses				
Travel agents	5,962,459,822	4,057,830,450	413,304	302,166
Cleaning and guest supplies	2,260,631,155	2,089,140,704	156,370	155,652
Security	1,369,775,438	1,281,836,622	95,472	95,402
Linens and uniforms	1,224,439,435	1,331,369,224	85,542	99,343
Laundry	1,064,589,109	819,079,217	73,999	61,046
Boutique	1,051,258,974	937,998,407	73,048	69,935
Cultural music and shows	875,486,500	808,035,000	60,983	60,145
Decoration	604,468,970	593,249,819	42,082	44,186
Welcome drinks, fruit baskets and amenities	552,122,823	496,171,490	38,396	36,954

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

21. COST OF GOODS SOLD AND SERVICES (continued)

The details of cost of goods sold and services are as follows: (continued)

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	**2018**	**2019**	**2018**
Printing and stationery	484,621,963	295,084,993	33,650	21,991
Kitchen fuel	249,368,399	265,145,257	17,311	19,74
Mineral water and ice	247,951,138	148,674,833	17,235	11,09
Transportation and travel	240,804,024	301,405,100	16,785	22,458
Consultant fees	213,418,314	187,905,270	14,863	14,013
Cable television and music	206,413,000	218,576,000	14,359	16,264
Guest newspaper	174,919,762	168,619,839	12,146	12,562
Others (each below Rp100 million)	1,899,066,953	1,928,156,263	132,748	143,638
Total Other Expenses	**18,681,795,779**	**15,928,278,488**	**1,298,293**	**1,186,590**
Cost of Goods Sold and Services	**41,271,563,014**	**37,628,466,636**	**2,869,870**	**2,802,696**

22. 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 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	**2018**	**2019**	**2018**
Repairs and maintenance	5,158,936,421	5,387,965,157	359,496	400,871
Provision for replacement of furniture, fixtures and equipment (Note 15)	2,937,759,253	2,679,737,837	203,704	199,775
Electricity	2,716,410,046	2,634,670,957	189,120	196,161
Water	2,351,546,580	3,204,831,842	162,898	238,976
Salaries and wages	1,278,770,727	1,359,684,176	89,095	101,220
Light bulbs	120,651,693	169,212,652	8,403	12,617
Gas	111,180,727	104,019,286	7,715	7,717
Uniforms	38,006,419	52,793,835	2,676	3,938
Laundry	23,273,881	23,894,671	1,619	1,779
Telephone	8,907,845	13,416,279	622	1,000
Fuel	3,834,162	3,139,695	267	234
Others	22,346,175	30,541,853	1,555	2,183
Total	**14,771,623,929**	**15,663,908,240**	**1,027,170**	**1,166,471**

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

23. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Salaries and wages	6,135,342,045	5,425,163,199	426,832	403,832
Commission on credit cards	1,878,515,634	1,757,770,789	130,722	131,037
Professional fees	1,208,920,035	1,242,282,637	77,978	92,739
Data processing	547,595,154	549,027,562	38,107	40,844
Transportation and traveling	302,389,385	253,015,396	21,078	18,855
Telephone and communication	273,606,786	302,235,432	19,055	22,490
Executive	87,918,742	146,307,955	6,054	10,968
Others	1,218,352,758	1,039,251,680	90,867	77,270
Total	**11,652,640,539**	**10,715,054,650**	**810,693**	**798,035**

24. MARKETING AND SALES PROMOTION EXPENSES

The details of marketing and sales promotion expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Marketing and sales promotion (Note 25a)	2,937,759,253	2,679,737,837	203,704	199,775
Sales representation	1,334,317,288	1,205,832,365	92,546	89,516
Advertising and promotion	1,309,604,515	1,182,383,011	90,845	88,969
Public relations	1,016,173,402	1,116,306,288	70,470	82,923
Salaries and wages	970,441,668	891,844,757	67,549	66,390
Transportation and travel	286,058,244	311,098,698	19,691	23,789
Printing and stationery	63,766,339	19,615,394	4,383	1,508
Telephone and communication	35,000,170	49,907,291	2,412	3,742
Others	319,235,052	346,693,496	23,256	26,040
Total	**8,272,355,931**	**7,803,419,137**	**574,856**	**582,652**

25. 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 19) 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

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

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.

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. Up to the date of the report, both parties are still awaiting response from supreme court.

26. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Information concerning monetary assets and liabilities denominated in foreign currencies as of March 31, 2019 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$ 284,505	4,052,483,524
Trade receivables	US$ 94,835	1,350,829,740
Due from related parties	US$ 59,190	843,096,664
Total	-	6,246,409,928
Liabilities		
Due to hotel operator	US$ 7,153	101,887,334
Other payables	US$ 9,079	129,314,420
Total		231,201,754
Net Assets		**6,015,208,174**

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, 2019 or at any other rates of exchange.

27. 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.

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

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 18.

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 conditions in the financial markets to maintain its payable and receivable days' stability.

Except for the long term employee benefit liability, all of the Company's liabilities will be due in one year. The Company has current ratio at 0.80 and 1.03 as of March 31, 2019 and 2018, 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.

28. 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, 2019:

Effective beginning on or after April 1, 2019:

a. ISAK 33: Foreign Currency Transaction and Advance Consideration, with earlier application is permitted. These amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

Effective beginning on or after April 1, 2019:

b. PSAK 71: Financial Instruments, with earlier application is permitted. This accounting standard is expected to have impact to the Company's classification and measurement of financial assets and liabilities. Thus, it requires the Company's exercise of judgment, including the assessment of business model and characteristics of contractual cash flows. The standard also requires impairment model under expected credit loss model from the previous requirement under occurred loss model.

c. PSAK 72: Revenue from Contracts with Customers, with earlier application is permitted and can be applied using either using full retrospective approach or modified retrospective approach. This accounting standard

(Expressed in Rupiah, unless otherwise stated with Translations into United States Dollar)

requires the Company to apply 5-step model in recognizing revenue. The Company will be required to identify performance obligation promised in each contract with the customer, including any variable consideration, and only recognize revenue in accordance with the determined/allocated transactions price upon satisfaction of the performance obligation.

d. PSAK 73: Leases, with earlier application is permitted and can be applied using retrospective approach. This accounting standard requires lessees to account all leases under a single on-balance sheet model in a similar way to finance leases under the superseded PSAK 30. The standard includes two recognition exemptions for lessees such as for leases of 'low value' assets and short-term leases. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting is substantially unchanged from the superseded PSAK 30.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

29. RECLASSIFICATIONS OF ACCOUNTS

The following accounts were presented on financial statement as of March 31, 2018 which had been reclassified for comparison purpose to financial statements as of March 31, 2019.

	Indonesian Rupiah		
	Previous Reclassification	**Reclassification**	**After Reclassification**
Property operations, maintenance and energy expense	12,984,170,403	2,679,737,837	15,663,908,240
General and administrative Expense	13,394,792,487	(2,679,737,837)	10,715,054,650

	Translations into U.S. Dollar – Unaudited (Note 2l)		
	Previous Reclassification	**Reclassification**	**After Reclassification**
Property operations, maintenance and energy expense	966,696	199,775	1,166,471
General and administrative Expense	997,810	(199,775)	798,035

PT WAKA OBEROI INDONESIA

Financial statements as of March 31, 2019 and for the year then ended with independent auditors' report

BOARD

Mr. I Ketut Siandana
Mr. Deepak Madhok
Drs. Ec. Wayan Pasek

AUDITORS

Purwantono, Suherman & 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-
Tangung-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, 2019.

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, 2019 are set out in the financial statements on 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;
- prepare the financial statements using the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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, May 9, 2019
On behalf of the Board of Directors

I Wayan Pasek
President Director

Independent Auditor’s Report

Report No. 01184/2.1032/AU.1/10/1175-5/1/V/2019

The Stockholders, Boards of Commissioners and Directors
PT Waka Oberoi Indonesia

We have audited the accompanying financial statements of PT Waka Oberoi Indonesia (the “Company”), which comprise the statement of financial position as of March 31, 2019, 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, 2019, 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 2l to the financial statements and are presented for purposes of additional analysis only and are not a required part of the basic financial statements under the Indonesian Financial Accounting Standards. 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, Sungkoro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

May 9, 2019

Statement of Financial Position
As of March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar (Note 2l)	
		March, 31		March, 31	
	Notes	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2m,4, 22,23	2,959,478,485	2,198,545,296	207,770	159,824
Trade receivables - net	2m,5 22,23	106,723,378	684,932,023	7,493	49,792
Inventories	2c,6	1,015,585,569	1,217,115,487	71,299	88,479
Prepayments and advances	2d,7	1,888,370,662	2,989,531,392	132,573	217,326
Other current financial assets	2m,22,23	30,401,236	3,608,640,250	2,134	262,332
TOTAL CURRENT ASSETS		**6,000,559,330**	**10,698,764,448**	**421,269**	**777,753**
NON-CURRENT ASSETS					
Fixed assets - net	2e,8	50,165,117,114	26,895,593,971	3,521,842	1,955,190
Tax amnesty assets	2k, 10d	258,866,667	335,866,667	18,174	24,416
Other non-current financial assets	2m, 22	126,615,000	126,615,000	8,889	9,205
TOTAL NON-CURRENT ASSETS		**50,550,598,781**	**27,358,075,638**	**3,548,905**	**1,988,811**
TOTAL ASSETS		**56,551,158,111**	**38,056,840,086**	**3,970,174**	**2,766,564**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	2m,22	200,357,082	772,397,109	14,066	56,150
Other payables	2m,9,12, 22,23	938,786,025	1,080,877,573	65,908	78,575
Taxes payable	2k,10a	1,471,393,889	283,529,353	103,299	20,611
Accrued expenses	2m,11,22	5,075,018,946	4,627,528,576	356,292	336,401
Due to a related party	2b,2m, 12,22,23	14,667,868,379	977,894,640	1,029,758	71,089
Reserve for replacement of furniture, fixtures and equipment	2g,13	7,968,498,494	7,614,621,742	559,428	553,549
Other current financial liabilities	2m,14,22	2,343,095,307	2,262,634,623	164,498	164,486
TOTAL CURRENT LIABILITIES	2b, 2l,2m,	**32,665,018,122**	**17,619,483,616**	**2,293,249**	**1,280,861**
NON-CURRENT LIABILITY					
Employee benefits liability	2h,17	4,622,703,741	4,311,259,199	324,537	313,409
TOTAL LIABILITY		**37,287,721,863**	**21,930,742,815**	**2,617,786**	**1,594,270**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statements of Financial Position *(Contd...)*
As of March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		March, 31		March, 31	
	Notes	**March 31, 2019**	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
EQUITY					
Capital stock – Rp180,000 par value Authorized, issued and fully paid - 129,385 shares	16	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	16	346,019,250,000	_	26,016,500	_
Additional paid in capital	2k,10d	385,000,000	385,000,000	28,902	28,902
Deposits for future stock subscription	12, 16	_	346,019,250,000	_	26,016,500
Other comprehensive loss Re-measurement loss on long-term employee benefits liability		(1,142,577,111)	(1,094,506,501)	(85,740)	(82,365)
Translation adjustment	21	–	_	(6,109,783)	(6,072,695)
Deficit		(349,287,536,641)	(352,472,946,228)	(29,947,491)	(30,168,048)
NET EQUITY (CAPITAL DEFICIENCY)		**19,263,436,248**	**16,126,097,271**	**1,352,388**	**1,172,294**
TOTAL LIABILITIES AND EQUITY		**56,551,158,111**	**38,056,840,086**	**3,970,174**	**2,766,564**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Profit or Loss and other Comprehensive Income year ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		Year Ended March, 31		Year Ended March, 31	
	Notes	2019	2018	2019	2018
DEPARTMENTAL REVENUES	2i,17				
Rooms		8,087,538,255	19,726,494,021	570,427	1,473,717
Food and beverages		4,529,869,527	9,729,425,334	319,550	726,946
Other operating departments		599,190,476	1,359,060,574	42,310	101,445
Others		309,093,521	1,361,238,556	21,674	99,985
Total Departmental Revenues		13,525,691,779	32,176,218,485	953,961	2,402,093
COSTS OF GOODS SOLD AND SERVICES	2i,18	9,963,721,229	15,617,965,378	700,005	1,164,861
GROSS PROFIT		**3,561,970,550**	**16,558,253,107**	**253,956**	**1,237,232**
HOTEL OPERATING EXPENSES	2i				
Property operations, maintenance and energy expenses	19	4,389,484,546	7,449,971,682	309,003	554,963
General and administrative expenses	20	6,508,208,410	6,212,539,134	455,917	462,615
Marketing expenses	21,24	2,448,954,130	3,996,190,004	170,545	298,226
Total Hotel Operating Expenses		13,346,647,086	17,658,700,820	935,465	1,315,804
HOTEL GROSS OPERATING (LOSS)		**(9,784,676,536)**	**(1,100,447,713)**	**(681,509)**	**(78,572)**
OWNER'S OPERATING INCOME (EXPENSES)	2i				
Depreciation	8,10d	(3,436,638,944)	(1,650,649,758)	(239,925)	(121,895)
Insurance		(1,324,673,044)	(1,090,271,351)	(96,267)	(81,045)
Professional fees		(1,175,453,616)	(1,001,006,325)	(82,201)	(74,387)
Salaries and wages		(762,407,108)	(712,724,462)	(53,272)	(52,980)
Foreign exchange income (loss) - net	2j	103,466,519	715,509,383	–	–
Finance income		452,425	900,491	32	67
Other operating income - net	8	20,040,205,606	8,121,735,792	1,407,037	590,335
Owner's Operating Income - Net		**13,444,951,838**	**4,383,493,770**	**935,404**	**260,095**
INCOME (LOSS) BEFORE INCOME TAX		**3,660,275,302**	**3,283,046,057**	**253,895**	**260,095**
Income tax expenses	2k, 10c	(474,865,715)	–	(33,338)	–
INCOME (LOSS) FOR THE YEAR		**3,185,409,587**	**3,283,046,057**	**220,557**	**181,523**
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods: Re-measurement loss on long-term employment benefits liability		(48,070,610)	(25,919,382)	(3,375)	(1,884)
Other comprehensive loss to be reclassified to profit or loss in subsequent period: Translation adjustment		**-**	**-**	**(37,088)**	**(14,436)**
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**3,137,338,977**	**3,257,126,675**	**180,094**	**165,203**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Changes in Equity
Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

	Indonesian Rupiah						
	Note	Capital Stock	Additional Paid in Capital	Deposits for Future Stock Subscription	Other Comprehensive Loss	Deficit	Net Equity (Capital Deficiency)
Balance as of March 31, 2017		**23,289,300,000**	**–**	**–**	**(1,068,587,119)**	**(355,755,992,285)**	**(333,535,279,404)**
Income for the year		–	–	–	–	3,283,046,057	3,283,046,057
Deposit for future stock subscription	16	–	–	346,019,250,000	–	–	346,019,250,000
Additional paid in capital tax amnesty	10d	–	385,000,000	–	–	–	385,000,000
Re-measurement loss on long-term employment benefits liability	15	–	–	–	(25,919,382)	–	(25,919,382)
Balance as of March 31, 2018		**23,289,300,000**	**385,000,000**	**346,019,250,000**	**(1,094,506,501)**	**(352,472,946,228)**	**(16,126,097,271)**
Income for the year		–	–	–	–	3,185,409,587	3,185,409,587
Conversion of deposits for future stock subscription to capital stock	16	346,019,250,000	–	(346,019,250,000)	–	–	–
Re-measurement loss on long-term employment benefits liability	15	–	–	–	(48,070,610)	–	(48,070,610)
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**

	Translations into U.S. Dollar - Unaudited (Note 2l)							
					Other Comprehensive Loss			
	Capital Stock (Note 16)	Additional Paid in Capital	Deposits for Future Stock Subscription	Deficit	Remeasurement Loss on Long-term Employee benefits Liability	Transaction Adjustment (Note 2l)	Total	Net Equity (Capital Deficiency)
Balance as of March 31, 2017	**11,450,000**	**–**	**–**	**(30,349,571)**	**(80,481)**	**(6,058,259)**	**(6,138,740)**	**(25,038,311)**
Loss for the year	–	–	–	181,523	–	–	–	181,523
Re-measurement loss on long-term employee benefits liability	–	–	–	–	(1,884)	–	(1,884)	(1,884)
Additional paid on capital – Tax amnesty	–	28,902	–	–	–	–	–	28,902
Deposits for future stock subscription	–	–	26,016,500	–	–	–	–	26,016,500
Transaction adjustment	–	–	–	–	–	(14,436)	(14,436)	(14,436)
Balance as of March 31, 2018	**11,450,000**	**28,902**	**26,016,500**	**(30,168,048)**	**(82,365)**	**(6,072,695)**	**(6,155,060)**	**1,172,294**
Income for the year	–	–	–	220,557	–	–	–	220,557
Conversion of deposits for future stock subscription to capital stock	26,016,500	–	(26,016,500)	–	–	–	–	–
Re-measurement loss on long-term employee benefits liability	–	–	–	–	(3,375)	–	(3,375)	(3,375)
Transaction adjustment	–	–	–	–	–	(37,088)	(37,088)	(37,088)
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**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Cash Flows
Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		year ended March, 31		year ended March, 31	
	Notes	**2019**	**2018**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		3,660,275,302	3,283,046,057	253,895	181,523
Adjustments to reconcile income before income tax for the year to net cash provided by operating activities:					
Depreciation	8, 10d	3,436,638,944	1,650,649,758	239,925	121,895
Provision for replacement of furniture, fixtures and equipment	13	405,770,752	965,286,555	28,618	72,063
Provision for employee benefits net of benefit payment	15	263,373,932	420,460,214	18,490	31,341
Unrealized loss (gain) on foreign exchange		(110,004,562)	(715,509,383)	–	–
Provision for (reversal of) allowance for impairment of trade receivables	5	(39,304,790)	(3,384,684)	(2,759)	(254)
Changes in operating asset and liabilities:					
Trade receivables		617,513,435	(12,428,822)	45,058	(904)
Inventories		201,529,918	137,371,688	14,148	9,986
Prepayments and advances		(2,936,673,569)	541,533,432	(206,169)	39,367
Other financial assets		3,578,239,014	(271,543,225)	260,132	(25,849)
Trade payables		(572,040,027)	94,846,936	(46,410)	6,895
Other payables		(153,149,015)	(88,127,532)	(10,752)	(6,406)
Accrued expenses		430,153,740	645,590,879	28,072	46,932
Tax payables		712,998,821	5,280,258	49,350	384
Due to a related party		(134,797,976)	815,620,602	(9,898)	58,907
Due to hotel operator		–	117,834,467	–	(8,846)
Other current liabilities		80,460,684	(1,163,210,245)	5,345	(92,691)
Net Cash Flows Provide by (Used In) Operating Activities		**9,440,984,603**	**6,187,648,021**	**667,045**	**434,343**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Cash Flows *(Contd...)*
year ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar (Note 2l)	
		year ended March, 31		year ended March, 31	
	Notes	**2019**	**2018**	**2019**	**2018**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	8	(22,591,327,788)	(15,757,994,164)	(1,586,024)	(1,143,840)
Utilization of reserve for replacement of furniture, fixtures and equipment	13	(51,894,000)	(406,759,300)	(3,643)	(30,302)
Total Cash Used in Investing Activities		**(22,643,221,788)**	**(16,164,753,464)**	**(1,589,667)**	**(1,174,142)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of fund from shareholder	12	**13,824,771,715**	**-**	**970,568**	**-**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		**622,534,530**	**(9,977,105,443)**	**47,946**	**(739,799)**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**138,398,659**	**191,771,083**	**-**	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	2,198,545,296	11,983,879,656	159,824	899,623
CASH ON HAND AND IN BANKS AT END OF YEAR	4	**2,959,478,485**	**2,198,545,296**	**207,770**	**159,824**

Information on non-cash activities are disclosed in Note 27.

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Notes to the Financial Statements
As of March 31, 2019 and for the Year Then Ended

(Expressed in 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, 2019 and 2018 are as follows:

		2019	2018
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 Ketut Siandana
Director	:	I Ketut Siandana	Deepak Madhok
Director	:	Deepak Madhok	I Wayan Pasek

The Company employed a total of 110 and 115 permanent employees as of March 31, 2019 and 2018, respectively (unaudited).

EIH Holdings Ltd. and EIH International Ltd. are the immediate and ultimate parent companies, respectively, of the Company.

On August 5, 2018, an earthquake occurred in Lombok damaging the hotel properties. In effect, the Company temporarily stopped its operations. Resulting loss due to business interruption is covered by the Company's insurance policy. As of report date, the hotel buildings are still undergoing renovations. The Company plans to resume hotel operations starting June 15, 2019.

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 May 9, 2019.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7 (Revised 2015), "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.

c. 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.

d. 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.

e. 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.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

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 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.

f. 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

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

g. 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.

h. Employee Benefits Liability

<u>Short-term employee benefits</u>

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.

<u>Post-employment benefits</u>

The Company 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".

The Company applied the revised policy for recognizing actuarial gains or losses, which are directly recognized in other comprehensive income.

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.

Past service costs are recognized immediately in profit or loss.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

i. Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value added taxes ("VAT").

Expenses are recognized when they are incurred.

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.

j. 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, 2019 and 2018, the rates of exchange used were Rp 14,244 and Rp13,756, respectively, to US$1.

k. 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" in the statement of profit or loss and other comprehensive income. The Company also presented interest/penalty, if any, as part of "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

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

<u>Value added tax ("VAT")</u>

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.

<u>Final Tax</u>

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.

<u>Tax amnesty</u>

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

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

APIC shall not be reclassified to retained earnings or recycled to profit or loss subsequently.

l. 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 (Rp14,244 to US$1, and Rp13,756 to US$1 as last quoted by Bank Indonesia as of March 31, 2019 and 2018, 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.

m. Financial Instruments

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, 2019 and 2018, 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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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, 2019 and 2018, 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.

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.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

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.

3. SIGNIFICANT ACCOUNTING JUDGMENT, 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:

<u>Determination of Functional Currency</u>

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.

<u>Classification of Financial Assets and Financial Liabilities</u>

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 2m.

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.

<u>Allowance for Impairment of Receivables</u>

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 received affects the amount of the allowance for impairment of trade receivables.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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, 2019 and 2018 amounted to Rp50,165,117,114 and Rp26,895,593,971, respectively. Further details are disclosed in Note 8.

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 22 to the financial statements.

4. CASH ON HAND AND IN BANKS

Cash on Hand and in Banks consists of the following:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Cash on hand				
Rupiah	79,500,006	79,500,005	5,580	5,779

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

Cash in banks				
Rupiah				
PT Bank Mandiri (Persero) Tbk	2,817,970,558	153,156,200	197,836	11,134
PT Bank Negara Indonesia (Persero) Tbk	6,303,246	71,926,663	443	5,229
PT Bank Maybank Indonesia Tbk	2,461,645	535,968,133	173	38,962
Sub-total	**2,826,735,449**	**761,050,996**	**198,452**	**55,325**
U.S. dollar				
PT Bank Maybank Indonesia Tbk	27,675,665	27,677,991	1,943	2,012
PT Bank Negara Indonesia (Persero) Tbk	25,567,365	1,330,316,304	1,795	96,708
Sub-total	53,243,030	1,357,994,295	3,738	98,720
Total	**2,959,478,485**	**2,198,545,296**	**207,770**	**55,325**

Interest income from cash in banks amounting to Rp452,425 and Rp900,491 for the years ended March 31, 2019 and 2018, respectively, is presented as part of "Finance income" in the statement of profit or loss and other comprehensive income. As of March 31, 2019 and 2018, none of the Company's cash on hand and in banks are restricted in use or used as collateral.

5. TRADE RECEIVABLES

Trade Receivables consists of the following:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
City ledger	139,980,169	432,478,516	9,827	31,440
Guest ledger	6,047,999	252,453,507	425	18,352
Total	146,028,168	684,932,023	10,252	49,792
Less: allowance for impairment	(39,304,790)	-	(2,759)	-
Net	**106,723,378**	**684,932,023**	**7,493**	**49,792**

City ledger represents receivable from travel agents, bank related to credit card payments and H2O Sports for the facilities used in the hotel.

Guest ledger represents receivables from guests that are currently checked in at the hotel as of March 31, 2019 and 2018.

The ageing analysis of these receivables is as follows:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Current	106,723,378	675,017,079	7,493	49,071
Past due				
1-30 days	_	9,914,944	_	721
31-60 days	–	_	_	_

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

Over 60 days	39,304,790	–	2,759	–
Total	146,028,168	684,932,023	10,252	49,792
Less allowance for impairment	(39,304,790)	–	(2,759)	–
Net	**106,723,378**	**684,932,023**	**7,493**	**49,792**

The movement of the allowance for impairment are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	**2018**	**2019**	**2018**
Balance at the beginning of year	-	3,384,684	-	254
Provisions during the year	39,304,790	31,330,356	2,757	2,332
Reversals during the year	-	(34,715,040)	-	(2,524)
Translation adjustment	-	-	2	(62)
Balance at end of year	**39,304,790**	**-**	**2,759**	**-**

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, 2019 is sufficient to cover losses from impairment of such receivables while outstanding balances as of March 31, 2018 are fully collectible; hence, no allowance for impairment was recognized.

6. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Materials and supplies	527,152,019	522,947,332	37,008	38,016
Beverages	298,658,420	330,161,746	20,967	24,002
Food	131,636,406	295,386,093	9,242	21,473
Boutique	57,612,057	67,189,165	4,045	4,884
Tobacco	526,667	1,431,151	37	104
Total	**1,015,585,569**	**1,217,115,487**	**71,299**	**88,479**

The Company's inventories as of March 31, 2019 and 2018 are stated at cost.

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2019 and 2018 since the inventories are fully usable.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

7. PREPAYMENTS AND ADVANCES

Prepayments and advances consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Prepaid insurance	1,480,086,186	1,046,721,618	103,909	76,092
Advance purchases	350,754,269	1,838,328,906	24,625	133,638
Prepaid tax	-	24,638,947	-	1,791
Prepaid others	57,530,207	79,841,921	4,039	5,805
Total	**1,888,370,662**	**2,989,531,392**	**132,573**	**217,326**

8. FIXED ASSETS

The details of fixed assets are as follows:

	Year Ended March 31, 2019				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	33,789,670,312	15,946,159,681	-	8,232,187,579[1]	57,968,017,572
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,191,024,243	-	-	-	11,191,024,243
Furniture, fixtures and equipment	11,839,253,920	46,036,501	(211,768,000)[3]	4,037,834,299 [2]	15,711,356,720
Motor vehicles	1,222,543,500	-	-	-	1,222,543,500
Construction in Progress	8,232,187,582	6,599,131,606	-	(8,232,187,579) [1]	6,599,131,609
Total Cost	76,904,929,980	22,591,327,788	(211,768,000)	4,037,834,299	103,322,324,067
Accumulated Depreciation					
Buildings	26,911,364,338	1,289,381,889	-	-	28,200,746,227
Structures and improvements	4,935,914,094	42,929,530	-	-	4,978,843,624
Machinery and equipment	7,534,640,624	578,262,645	-	-	8,112,903,269
Furniture, fixtures and equipment	9,861,919,348	1,207,628,572	(211,768,000)[3]	-	10,857,779,920
Motor vehicles	765,497,605	241,436,308	-	-	1,006,933,913
Total Accumulated Depreciation	50,009,336,009	3,359,638,944	(211,768,000)	-	53,157,206,953
Net Book Value	**26,895,593,971**				**50,165,117,114**

1) Reclassification from Construction in progress to Building amounting to Rp8,232,187,579

2) Reclassification from Prepayment accounts to Fixed Assets - Machinery and equipment and Furniture, fixtures, and equipment amounting to Rp4,037,834,299.

3) Deductions pertain to fully depreciated furniture, fixtures and equipment which were damaged by earthquake.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

8. FIXED ASSETS *(Contd.)*

	Year Ended March 31, 2018				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	28,788,844,865	5,000,825,447	-	-	33,789,670,312
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	8,023,837,043	1,834,177,600	-	1,333,009,600[1)]	11,191,024,243
Furniture, fixtures and equipment	10,722,397,313	690,803,535	-	426,053,072[1)]	11,839,253,920
Motor vehicles	1,222,543,500	-	-	-	1,222,543,500
Construction in Progress	-	8,232,187,582	-	-	8,232,187,582
Total Cost	59,387,873,144	15,757,994,164	-	1,759,062,672	76,904,929,980
Accumulated Depreciation					
Buildings	26,618,147,614	293,216,724	-	-	26,911,364,338
Structures and improvements	4,892,984,564	42,929,530	-	-	4,935,914,094
Machinery and equipment	7,116,565,282	418,075,342	-	-	7,534,640,624
Furniture, fixtures and equipment	9,259,133,219	602,786,129	-	-	9,861,919,348
Motor vehicles	520,988,905	244,508,700	-		765,497,605
Total Accumulated Depreciation	48,407,819,584	1,601,516,425	-	-	50,009,336,009
Net Book Value	**10,980,053,560**				**26,895,593,971**

[1)] Reclassification from Advance purchases to Fixed asset accounts - Machinery and equipment and Furniture, fixtures, and equipment amounting to Rp1,333,009,600 and Rp426,053,072, respectively.

	Year Ended March 31, 2019					
	Translations into U.S. Dollar - Unaudited (Note 2l)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	397,682	-	-	-	(13,625)	384,057
Buildings	2,456,359	1,119,500	-	577,941[1)]	(84,155)	4,069,645
Structures and improvements	375,090	-	-	-	(12,851)	362,239
Machinery and equipment	813,537	-	-	-	(27,871)	785,666
Furniture, fixtures and equipment	860,661	3,232	(14,867)[3)]	303,118[2)]	(49,128)	1,103,016
Motor vehicles	88,874	-	-	-	(3,044)	85,830
Construction in Progress	598,442	463,292	-	(577,941)[1)]	(20,502)	463,291
Total Cost	5,590,645	1,586,024	(14,867)	303,118	(211,176)	7,253,744
Accumulated Depreciation						
Buildings	1,956,336	90,276	-	-	(66,779)	1,979,833
Structures and improvements	358,818	2,770	-	-	(12,048)	349,540
Machinery and equipment	547,735	40,352	-	-	(18,521)	569,566
Furniture, fixtures and equipment	716,918	84,538	(14,867)	-	(24,318)	762,271
Motor vehicles	55,648	16,706	-	-	(1,662)	70,692
Total Cost	3,635,455	234,642	(14,867)	-	(123,328)	3,731,902
Net Book Value	**1,955,190**					**3,521,842**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

[1] Reclassification from Construction in progress to building amounting to US$577,941.

[2] Reclassification from Prepayment accounts to Fixed Assets - Machinery and equipment and Furniture, fixtures, and equipment amounting to US$303,118.

[3] Deductions pertain to fully depreciated furniture, fixtures and equipment which were damaged by earthquake.

	Year Ended March 31, 2018					
	Translations into U.S. Dollar - Unaudited (Note 2l)					
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Translation Adjustment**	**Ending Balance**
Cost						
Land	410,668	-	-	-	(12,986)	397,682
Buildings	2,161,162	365,092	-	-	(69,895)	2,456,359
Structures and improvements	387,338	-	-	-	(12,248)	375,090
Machinery and equipment	602,345	130,570	-	100,068[1]	(19,446)	813,537
Furniture, fixtures and equipment	804,925	49,736	-	31,984[1]	(25,984)	860,661
Motor vehicles	91,776	-	-	-	(2,902)	88,874
Construction in Progress	-	598,442	-	-	-	598,442
Total Cost	4,458,214	1,143,840	-	132,052	(143,461)	5,590,645
Accumulated Depreciation						
Buildings	1,998,209	21,580	-	-	(63,453)	1,956,336
Structures and improvements	367,313	3,187	-	-	(11,682)	358,818
Machinery and equipment	534,237	30,716	-	-	(17,218)	547,735
Furniture, fixtures and equipment	695,078	44,688	-	-	(22,848)	716,918
Motor vehicles	39,111	18,152	-	-	(1,615)	55,648
Total Cost	3,633,948	118,323	-	-	(116,816)	3,635,455
Net Book Value	**824,266**					**1,955,190**

[1] Reclassification from Advance purchases to Fixed asset accounts - Machinery and equipment and Furniture, fixtures, and equipment amounting to US$100,068 and US$31,984, respectively.

Related to the renovation of hotel properties, the percentage of completion of construction in progress as of March 31, 2019 is 43.16% with the expected completion date on September 30, 2019.

Depreciation charged to operations amounted to Rp3,359,638,944 and Rp1,601,516,425 for the years ended March 31, 2019 and 2018, respectively. The Company's fixed assets are covered by insurance against losses from fire and other risks under blanket policies with total coverage amounting to US$27,000,000 (Rp384,588,000,000) and US$32,000,000 (Rp440,192,000,000) in 2019 and 2018 respectively. Further, the Company is also covered by insurance against business interruption under blanket policies with total coverage amounting to US$8,500,000 (Rp121,074,000,000) in 2019 and 2018. 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 filed for insurance claims against its insurance provider in 2017.

On April 11, 2017 and February 12, 2018, the Company received the first and second approvals of claims for fire loss insurance relating to back office amounting to US$240,000 and US$260,000, respectively. The Company has received the insurance coverage amounting to US$240,000 and US$260,000 on the first and second approvals, respectively, on various dates from May 2017 to April 2018.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

On November 8, 2017, March 5, 2018, and August 27 2018, the Company received the first, second, and third approvals for claims on fire loss relating to the portions of the pavilion amounting to Rp5,300,000,000, Rp3,300,000,000, and Rp3,300,000,000, respectively. The Company has received the insurance coverage amounting to Rp5,300,000,000, Rp3,300,000,000, and Rp3,300,000,000 on the first, second, and third approvals, respectively, on various dates from July 2017 to October 2018.

On June 22, 2018 and January 9 2019, the Company received the final approvals for remaining insurance coverage for the back office and pavilions amounting to US$282,203 and Rp11,904,811,100, respectively. The Company has received the insurance coverage amounting to US$282,203 and Rp11,904,811,100, respectively, on various dates from July 2018 to February 2019.

8. FIXED ASSETS - NET (CONTINUED)

The movements in the estimated claims for insurance are as follows:

	Fire loss- back office		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Estimated claims from insurance, beginning	536,484,000	3,197,040,000	2,970,000,000	-
Claims approved by Insurance	4,070,998,267	3,579,654,000	16,954,811,100	8,600,000,000
Total claims from insurance	4,607,482,267	6,776,694,000	19,924,811,100	8,600,000,000
Proceeds from insurance claims:				
April 1, 2017 to March 31, 2018	_	6,236,255,025	-	5,630,000,000
April 1, 2018 to March 31, 2019	4,607,482,267	-	19,924,811,100	-
Gain from foreign exchange	702,000	3,954,975	-	-
Total proceeds from insurance claims	4,608,184,267	6,240,210,000	19,924,811,100	5,630,000,000
Estimated claims from insurance, ending	**-**	**536,484,000**	**-**	**2,970,000,000**

Approved claims from insurance amounting to Rp21,025,809,367 and Rp12,179,654,000 as of March 31, 2019 and 2018, 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:

	Fire loss- back office		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Total claims from insurance	4,607,482,267	6,776,694,000	19,924,811,100	8,600,000,000
Claims already recognized as gain on insurance in prior year	(536,484,000)	(3,197,040,000)	(2,970,000,000)	-
Gain on Insurance	**4,070,998,267**	**3,579,654,000**	**16,954,811,100**	**8,600,000,000**

As of March 31, 2019 and 2018, the management believes that there is no impairment in the value of the Company’s fixed assets.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

9. OTHER PAYABLES

This account consists of payables to third parties for:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Marketing and sales promotion expenses	696,158,633	278,628,414	48,874	20,255
General reserve	14,359,262	543,211,949	1,008	39,489
Others	228,268,130	259,037,210	16,026	18,831
Total	**938,786,025**	**1,080,877,573**	**65,908**	**78,575**

10. TAXATION

a. Taxes payable consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Development tax I	776,568,208	154,641,756	54,519	11,241
Income tax				
Article 21	21,318,143	57,882,182	1,497	4,208
Article 23	193,936,224	66,467,415	13,615	4,832
Article 26	4,705,600	4,538,000	330	330
Article 29	474,865,714	-	33,338	-
Total	**1,471,393,889**	**283,529,353**	**103,299**	**20,611**

b. A reconciliation between income before income tax, as shown in the statement of profit or loss and other comprehensive income, and estimated taxable income (tax loss carryforward) follows:

	Year Ended March 31,	
	2019	2018
Income (loss) before income tax per statement of profit or loss and other comprehensive income	3,660,275,302	3,283,046,057
Temporary differences:		
Provision for replacement of furniture, fixtures and equipment – net	353,876,753	558,527,255
Provision for employee benefits	537,001,231	574,174,304
Employee benefit payments	(273,627,299)	(153,714,090)
Provision for (reversal of) allowance for impairment of trade receivables - net	39,304,790	(3,384,684)
Depreciation	(76,008,321)	115,832,633
Permanent differences:		
Interest income already subjected to final tax	(40,803,886)	(900,491)
Depreciation	77,570,833	49,989,583
Others	81,708,498	69,479,693

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

10. TAXATION *(Contd.)*

Estimated taxable income (loss) for the year	4,359,297,901	4,493,050,260
Tax losses carry-forward at beginning of year	(2,314,614,903)	(6,807,665,163)
Estimated taxable income (tax losses carry-forward) at end of year	**2,044,682,998**	**(2,314,614,903)**

c. 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 Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Income before income tax	3,660,275,302	3,283,046,057	253,895	181,523
Estimated tax expense (benefit) based on prevailing tax rate	915,068,826	820,761,514	63,474	45,380
Net permanent difference at the applicable tax rate	29,618,861	29,642,196	2,051	2,155
Unrecognized deferred tax assets-net	145,136,789	272,858,854	10,204	19,836
Utilisation of tax losses carry forward	(578,653,726)	(1,123,262,564)	(42,066)	(67,371)
Tax facility of income tax art. 31 E	(36,305,035)	-	(2,521)	-
Translation adjustment	-	-	2,196	-
Income tax expense	**474,865,715**	**-**	**33,338**	**-**

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 Rp36,305,036 for the year ended March 31, 2019. Meanwhile, there was no tax reduction due to tax loss for the year ended in March 31, 2018.

As of March 31, 2018 and 2017, 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 2l)	
	As of March 31,		As of March 31,	
	2019	2018	2019	2018
Tax losses carry-forward benefits	-	2,314,614,903	-	168,262
Reserve for replacement of FFE	7,968,498,494	7,614,621,742	559,428	553,549
Long-term employee benefit liability	4,622,703,741	4,311,259,199	324,537	313,409
Allowance for doubtful accounts	39,304,790	-	2,759	-

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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, 2019 and 2018, 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 2l)	
	As of March 31,		As of March 31,	
	2019	2018	2019	2018
Balance as approved by tax authority	385,000,000	385,000,000	28,902	28,902
Accumulated depreciation	(126,133,333)	(49,133,333)	(8,855)	(3,572)
Translation adjustment	-	-	(1,873)	(914)
Net book value	**258,866,667**	**335,866,667**	**18,174**	**24,416**

11. ACCRUED EXPENSES

The details of accrued expenses due to third parties are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Professional fees	1,345,022,294	1,320,901,385	94,427	96,024
Salaries and allowance	492,160,879	734,740,398	34,552	53,412
Human resource	365,939,479	624,923,162	25,691	45,429
Marketing	222,541,048	247,534,796	15,623	17,995
Repair and maintenance	219,513,218	330,108,380	15,411	23,997
Utilities	117,174,917	239,608,580	8,226	17,418
Others	2,312,667,111	1,129,711,875	162,362	82,126
Total	**5,075,018,946**	**4,627,528,576**	**356,292**	**336,401**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 21)	
	March 31,		March 31,	
	2019	2018	2019	2018
Due to related parties				
EIH Holdings Ltd.	13,824,771,715	-	970,568	-
PT Widja Putra Karya	843,096,664	977,894,640	59,190	71,089
Total	**14,667,868,379**	**977,894,640**	**1,029,758**	**71,089**
Deposit for future stock subscriptions: (Note 16)				
EIH Management Services B.V.	-	346,019,250,000	-	26,016,500
Other payables: (Note 9)				
EIH Holdings Ltd.	696,158,633	-	48,874	-
EIH Management Services B.V.	-	278,628,414	-	20,255

On December 10, 2018, January 14, 2019 and March 23, 2019, the Company received funds from EIH Holdings, Ltd. to support its operations and working capital requirements amounting to US$150,000, US$400,000, and US$420,568, totaling to US$970,568 (Rp13,824,771,715).

Salaries and wages of the Company's key management personnel amounted to Rp753,836,756 (US$52,663) and Rp705,943,921 (US$52,530) in 2019 and 2018, 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
EIH Holdings Ltd.	Parent company	Management fee, loan payable to finance hotel operations, and international sales promotion Translation adjustment
EIH Management Services B.V.	Shareholder	Management fee and, deposits for future stock subscriptions

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

13. 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 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Balance as approved by tax authority	7,614,621,742	7,056,094,487	553,549	529,697
Provision during the year (Note 21)	405,770,752	965,286,555	28,618	72,063
Utilization of reserve	(51,894,000)	(406,759,300)	(3,643)	(30,302)
Translation adjustment	-	-	(19,096)	(17,909)
Balance at end of year	**7,968,498,494**	**7,614,621,742**	**559,428**	**553,549**

14. OTHER CURRENT FINANCIAL LIABILITIES

This account pertains to guest deposits from customers and travel agents amounting to Rp2,343,095,307 (US$ 164,498) and Rp2,262,634,623(US$ 164,486) as of March 31, 2019 and 2018, respectively.

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The Company provides benefits for its employees who achieve the retirement age of 55 based on the provisions of Labor Law No. 13/2003 dated March 25, 2003. The benefits are unfunded.

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, 2019 and 2018 as determined by PT Lastika Dipa, an independent actuary, in their reports dated April 10, 2019 and April 12, 2018, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2019 and 2018, are as follows:

Discount rate	: 8.54% in 2019 and 7.32% in 2018
Annual salary increase	: 8.00% per annum in 2019 and 2018
Mortality	: TMI III
Retirement age	: 55 years old
Disability rates	: 10% mortality table TMI III

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Current service cost	285,779,774	277,281,063	20,063	20,689
Interest cost	251,221,457	296,893,241	17,637	22,153
Employee benefit expense	**537,001,231**	**574,174,304**	**37,700**	**42,842**

b. Details of employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Present value of defined benefits obligation	**4,622,703,741**	**4,311,259,199**	**324,537**	**313,409**

c. Movements in employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Beginning balance	285,779,774	277,281,063	20,063	20,689
Employee benefit expense	251,221,457	296,893,241	17,637	22,153
Benefit payments	(273,627,299)	(153,714,090)	(19,210)	(11,501)
Other comprehensive income	48,070,610	25,919,382	3,375	1,884
Translation adjustment	-	-	(10,737)	(9,950)
Ending balance	**4,622,703,741**	**4,311,259,199**	**324,537**	**313,409**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

d. Movements in the present value employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Beginning balance	4,311,259,199	3,864,879,603	313,409	290,134
Employee benefit expense	537,001,231	574,174,304	37,700	42,842
Benefit payments	(273,627,299)	(153,714,090)	(19,210)	(11,501)
Actuarial (gain) losses due from:				
Experience adjustment	-	(179,708,994)	-	(13,064)
Change in financial assumption	48,070,610	205,628,376	3,375	14,948
Translation adjustment	-	-	(10,737)	(9,950)
Ending balance	**4,622,703,741**	**4,311,259,199**	**324,537**	**313,409**

The principal assumptions used in determining the employee benefits liability as of March 31, 2019 and 2018, are as follows:

Within the next 12 months (the next annual reporting year)	:	-
Annual salary increase	:	1,319,464,842
Between 2 and 5 years	:	6,322,247,404
Between 5 and 10 years	:	45,456,757,387

The average duration of the long-term employee benefits liability is 17 years.

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, 2019 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Discount Rate	**Salary Rate**	**Discount Rate**	**Salary Rate**
Increase by 1%	(333,907,707)	370,564,954	(23,442)	26,016
Decrease by 1%	375,814,100	(335,196,868)	26,384	(23,532)

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

16. CAPITAL STOCK

The shares ownership details as of March 31, 2019 and 2018 are as follows:

Series A

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2l)
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

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2l)
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	Translation into U.S. Dollar- Unaudit (Note 2l)
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**

	March 31, 2018			
Stockholders	**Number of Shares Issued and Fully Paid**	**Percentage of Ownership**	**Amount**	**Translations into U.S. Dollar - Unaudited (Note 2l)**
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**

On March 20, 2018, the shareholders approved the subscription and paid-up capital by EIH Management Service B.V. through the conversion of the Company's loan payable to EIH Management Service B.V. from the previous year into equity shares in the Company amounting to US$26,016,500 equivalent to Rp346,019,250,000. According to notarial deed No. 42 dated April 23, 2018 of Djumini Setyoadi, SH, M.KN, notarial deed of change in equity

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

was approved by the Ministry of Justice in its decision letter No. AHU-AH.01.03-0208049 dated May 22, 2018. Hence, deposits for future stock subscription was converted to capital stock B series.

Based on annual general meeting of shareholders of the Company, the shareholders agreed and approved to sell and transfer shares which was held and owned by EIH Management Services B.V. to EIH Holdings Ltd. effective March 19, 2019. The annual general meeting of shareholders has been received and approved by the Minister of Law and Human Rights dated November 27, 2018.

17. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Room department				
Villa	4,693,153,796	13,516,460,242	331,015	1,009,781
Employee benefit expense	3,394,384,459	6,210,033,779	239,412	463,936
Sub-total	8,087,538,255	19,726,494,021	570,427	1,473,717
Food and beverages department				
Food	3,362,511,190	7,282,074,986	237,197	544,081
Change in financial assumption	1,167,358,337	2,447,350,348	82,353	182,8658
Sub-total	4,529,869,527	9,729,425,334	319,550	726,946
Other operating departments				
Health spa	367,370,969	824,790,204	25,959	61,573
Boutique	162,829,037	364,444,225	11,488	27,186
Telephone and facsimile	34,853,899	79,968,785	2,460	5,974
Laundry	34,136,571	89,857,360	2,403	6,712
Sub-total	599,190,476	1,359,060,574	42,310	101,445
Others	309,093,521	1,361,238,556	21,674	99,985
Total	**13,525,691,779**	**32,176,218,485**	**953,961**	**2,402,093**

In 2019 and 2018, the average hotel room occupancy rates were 56.5% and 37.6%, respectively (unaudited).

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

18. 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 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Food and beverage	1,263,188,951	3,052,381,274	89,156	227,984
Payroll and related expenses:				
Salaries and wages	3,928,909,264	3,844,110,695	275,233	286,116
Employee benefits	1,702,937,713	2,445,446,184	119,269	182,146
Other expenses:				
Security	624,836,208	581,811,094	43,738	43,271
Travel agents	595,328,740	1,385,000,000	42,126	103,488
Cleaning and guest supplies	304,481,181	836,923,393	21,517	62,480
Welcome drinks, fruit baskets, and amenities	210,140,821	591,745,308	14,865	44,211
Linens and uniforms	167,800,425	299,240,898	11,849	22,329
Laundry	147,287,364	84,645,912	10,381	6,273
Boutique	123,937,204	266,049,336	8,743	19,839
Transportation and travel	95,363,050	198,174,692	6,733	14,796
Health club	85,284,325	100,299,144	6,008	7,478
Telephone and communication	79,118,431	163,422,299	5,608	12,180
Cultural music and shows	68,973,625	160,983,650	4,862	12,014
Loss and damages	65,628,045	87,704,890	4,626	6,545
Cable television and music	44,000,000	119,373,844	3,113	8,920
Decoration	30,012,198	107,031,786	2,118	7,991
Kitchen Fuel	17,846,808	369,641,561	1,258	27,586
Others	408,646,876	923,979,418	28,802	69,214
Total	**9,963,721,229**	**15,617,965,378**	**700,005**	**1,164,861**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

19. 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 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Repairs and maintenance	1,251,677,828	2,138,026,166	86,848	159,232
Electricity	1,106,305,386	1,999,622,298	78,005	148,850
Salaries and wages	620,898,378	731,938,805	44,718	54,555
Fuel	575,251,842	865,600,378	40,561	64,434
Provision for replacement of furniture fixtures and equipment (Note 13)	405,770,752	965,286,555	28,618	72,063
Supplies	249,850,594	399,412,044	17,584	29,761
Water	146,556,587	247,211,047	10,334	18,401
Others	33,173,179	102,874,389	2,335	7,667
Total	**4,389,484,546**	**7,449,971,682**	**309,003**	**554,963**

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Salaries and wages	2,294,026,649	2,447,733,953	160,613	182,224
Employee benefits	716,906,780	910,034,385	50,187	70,389
Commission on credit cards	224,484,005	483,229,227	15,716	35,975
Insurance	213,902,935	137,729,986	14,976	10,253
Transportation and travel	191,654,797	199,845,989	13,418	14,878
Telephone and communication	71,499,786	105,942,831	5,006	7,887
Bank charges	70,315,989	100,125,598	4,923	7,454
Licenses and taxes	66,911,474	168,063,067	4,685	12,512
Printing and stationery	35,426,225	92,651,250	2,480	6,898
Others	2,623,079,770	1,567,182,848	183,913	114,145
Total	**6,508,208,410**	**6,212,539,134**	**455,917**	**462,615**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

21. MARKETING EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Advertising and promotion	1,496,712,996	2,157,921,211	103,967	161,022
Sales promotion expenses (Note 24)	405,770,752	965,286,555	28,618	72,063
Transportation and travel	218,125,445	601,231,511	15,152	44,863
Others	328,344,937	271,750,727	22,808	20,278
Total	**2,448,954,130**	**3,996,190,004**	**170,545**	**298,226**

22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company has various financial assets such as cash on hand and in banks, trade receivables 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, 2019 and 2018.

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)

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

23 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.

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, 2019, 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			
Advertising and promotion	US$	3,738	53,243,030
Trade receivables	US$	7,864	112,014,816
Total			165,257,846
Liabilities			
Due to a related party	US$	970,568	13,824,771,715
Other payable	US$	48,874	696,158,633
Total			14,520,930,348
Net Liabilities			**14,355,672,502**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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 22.

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 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Current Financial Assets				
Cash in banks	2,879,978,479	2,119,045,291	202,190	154,045
Trade receivables - net	106,723,378	684,932,023	7,493	49,792
Other current financial assets	30,401,236	3,608,640,250	2,134	262,332
Total Financial Assets	**3,017,103,093**	**6,412,617,564**	**211,817**	**466,169**

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, 2019 which was due within a year. As of March 31, 2019, the Company's current liabilities exceed its current assets by Rp26,664,458,792 (see item "d" below).

d. Capital Management

A letter of support, dated May 9, 2019, from EIH Holdings Ltd. was received confirming their commitment not to withdraw their capital contribution and their willingness to provide necessary financial support to the Company to enable it to pay all its obligations when they fall due and for the Company to be able to carry on its business through the financial year ending March 31, 2020 without curtailment.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

24. 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.

25. 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, 2019:

Effective beginning on or after April 1, 2019:

a. ISAK 33: Foreign Currency Transaction and Advance Consideration, with earlier application is permitted. These amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

Effective beginning on or after April 1, 2020:

b. PSAK 71: Financial Instruments, with earlier application is permitted. This accounting standard is expected to have impact to the Company's classification and measurement of financial assets and liabilities. Thus, it requires the Company's exercise of judgment, including the assessment of business model and characteristics of contractual cash flows. The standard also requires impairment model under expected credit loss model from the previous requirement under occurred loss model.

c. PSAK 72: Revenue from Contracts with Customers, with earlier application is permitted and can be applied using either using full retrospective approach or modified retrospective approach. This accounting standard requires the Company to apply 5-step model in recognizing revenue. The Company will be required to identify performance obligation promised in each contract with the customer, including any variable consideration, and only recognize revenue in accordance with the determined/allocated transactions price upon satisfaction of the performance obligation.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

d. PSAK 73: Leases, with earlier application is permitted and can be applied using retrospective approach. This accounting standard requires lessees to account all leases under a single on-balance sheet model in a similar way to finance leases under the superseded PSAK 30. The standard includes two recognition exemptions for lessees such as for leases of 'low value' assets and short-term leases. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting is substantially unchanged from the superseded PSAK 30.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

26. RECLASSIFICATIONS OF ACCOUNTS

The following accounts were presented on financial statement as of March 31, 2018 which had been reclassified for comparison purpose to financial statements as of March 31, 2019

	Indonesian Rupiah		
	Previous Reclassification	**Reclassification**	**After Reclassification**
Property operations, maintenance and energy expense	6,484,685,127	965,286,555	7,449,971,682
General and administrative Expense	7,177,825,689	(965,286,555)	6,212,539,134

	Translations into U.S. Dollar – Unaudited (Note 2l)		
	Previous Reclassification	**Reclassification**	**After Reclassification**
Property operations, maintenance and energy expense	482,899	72,064	554,963
General and administrative Expense	534,679	(72,064)	462,615

27. 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 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Additions to fixed assets	4,037,834,299	1,759,062,672	303,118	132,052

PT WAKA OBEROI INDONESIA

Financial statements as of March 31, 2019 and for the year then ended with independent auditors' report

BOARD

Mr. I Ketut Siandana
Mr. Deepak Madhok
Drs. Ec. Wayan Pasek

AUDITORS

Purwantono, Suherman & 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-
Tangung-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, 2019.

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, 2019 are set out in the financial statements on 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;
- prepare the financial statements using the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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, May 9, 2019
On behalf of the Board of Directors

I Wayan Pasek
President Director

Independent Auditor's Report

Report No. 01184/2.1032/AU.1/10/1175-5/1/V/2019

The Stockholders, Boards of Commissioners and Directors
PT Waka Oberoi Indonesia

We have audited the accompanying financial statements of PT Waka Oberoi Indonesia (the "Company"), which comprise the statement of financial position as of March 31, 2019, 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, 2019, 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 2l to the financial statements and are presented for purposes of additional analysis only and are not a required part of the basic financial statements under the Indonesian Financial Accounting Standards. 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, Sungkoro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

May 9, 2019

Statement of Financial Position
As of March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar (Note 2l)	
		March, 31		March, 31	
	Notes	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2m,4, 22,23	2,959,478,485	2,198,545,296	207,770	159,824
Trade receivables - net	2m,5 22,23	106,723,378	684,932,023	7,493	49,792
Inventories	2c,6	1,015,585,569	1,217,115,487	71,299	88,479
Prepayments and advances	2d,7	1,888,370,662	2,989,531,392	132,573	217,326
Other current financial assets	2m,22,23	30,401,236	3,608,640,250	2,134	262,332
TOTAL CURRENT ASSETS		**6,000,559,330**	**10,698,764,448**	**421,269**	**777,753**
NON-CURRENT ASSETS					
Fixed assets - net	2e,8	50,165,117,114	26,895,593,971	3,521,842	1,955,190
Tax amnesty assets	2k, 10d	258,866,667	335,866,667	18,174	24,416
Other non-current financial assets	2m, 22	126,615,000	126,615,000	8,889	9,205
TOTAL NON-CURRENT ASSETS		**50,550,598,781**	**27,358,075,638**	**3,548,905**	**1,988,811**
TOTAL ASSETS		**56,551,158,111**	**38,056,840,086**	**3,970,174**	**2,766,564**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	2m,22	200,357,082	772,397,109	14,066	56,150
Other payables	2m,9,12, 22,23	938,786,025	1,080,877,573	65,908	78,575
Taxes payable	2k,10a	1,471,393,889	283,529,353	103,299	20,611
Accrued expenses	2m,11,22	5,075,018,946	4,627,528,576	356,292	336,401
Due to a related party	2b,2m, 12,22,23	14,667,868,379	977,894,640	1,029,758	71,089
Reserve for replacement of furniture, fixtures and equipment	2g,13	7,968,498,494	7,614,621,742	559,428	553,549
Other current financial liabilities	2m,14,22	2,343,095,307	2,262,634,623	164,498	164,486
TOTAL CURRENT LIABILITIES	2b, 2l,2m,	**32,665,018,122**	**17,619,483,616**	**2,293,249**	**1,280,861**
NON-CURRENT LIABILITY					
Employee benefits liability	2h,17	4,622,703,741	4,311,259,199	324,537	313,409
TOTAL LIABILITY		**37,287,721,863**	**21,930,742,815**	**2,617,786**	**1,594,270**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statements of Financial Position *(Contd...)*
As of March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		March, 31		March, 31	
	Notes	**March 31, 2019**	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
EQUITY					
Capital stock – Rp180,000 par value Authorized, issued and fully paid - 129,385 shares	16	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	16	346,019,250,000	_	26,016,500	_
Additional paid in capital	2k,10d	385,000,000	385,000,000	28,902	28,902
Deposits for future stock subscription	12, 16	_	346,019,250,000	_	26,016,500
Other comprehensive loss					
Re-measurement loss on long-term employee benefits liability		(1,142,577,111)	(1,094,506,501)	(85,740)	(82,365)
Translation adjustment	21	–	_	(6,109,783)	(6,072,695)
Deficit		(349,287,536,641)	(352,472,946,228)	(29,947,491)	(30,168,048)
NET EQUITY (CAPITAL DEFICIENCY)		**19,263,436,248**	**16,126,097,271**	**1,352,388**	**1,172,294**
TOTAL LIABILITIES AND EQUITY		**56,551,158,111**	**38,056,840,086**	**3,970,174**	**2,766,564**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Profit or Loss and other Comprehensive Income year ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		Year Ended March, 31		Year Ended March, 31	
	Notes	2019	2018	2019	2018
DEPARTMENTAL REVENUES	2i,17				
Rooms		8,087,538,255	19,726,494,021	570,427	1,473,717
Food and beverages		4,529,869,527	9,729,425,334	319,550	726,946
Other operating departments		599,190,476	1,359,060,574	42,310	101,445
Others		309,093,521	1,361,238,556	21,674	99,985
Total Departmental Revenues		13,525,691,779	32,176,218,485	953,961	2,402,093
COSTS OF GOODS SOLD AND SERVICES	2i,18	9,963,721,229	15,617,965,378	700,005	1,164,861
GROSS PROFIT		**3,561,970,550**	**16,558,253,107**	**253,956**	**1,237,232**
HOTEL OPERATING EXPENSES	2i				
Property operations, maintenance and energy expenses	19	4,389,484,546	7,449,971,682	309,003	554,963
General and administrative expenses	20	6,508,208,410	6,212,539,134	455,917	462,615
Marketing expenses	21,24	2,448,954,130	3,996,190,004	170,545	298,226
Total Hotel Operating Expenses		13,346,647,086	17,658,700,820	935,465	1,315,804
HOTEL GROSS OPERATING (LOSS)		**(9,784,676,536)**	**(1,100,447,713)**	**(681,509)**	**(78,572)**
OWNER'S OPERATING INCOME (EXPENSES)	2i				
Depreciation	8,10d	(3,436,638,944)	(1,650,649,758)	(239,925)	(121,895)
Insurance		(1,324,673,044)	(1,090,271,351)	(96,267)	(81,045)
Professional fees		(1,175,453,616)	(1,001,006,325)	(82,201)	(74,387)
Salaries and wages		(762,407,108)	(712,724,462)	(53,272)	(52,980)
Foreign exchange income (loss) - net	2j	103,466,519	715,509,383	–	–
Finance income		452,425	900,491	32	67
Other operating income - net	8	20,040,205,606	8,121,735,792	1,407,037	590,335
Owner's Operating Income - Net		**13,444,951,838**	**4,383,493,770**	**935,404**	**260,095**
INCOME (LOSS) BEFORE INCOME TAX		**3,660,275,302**	**3,283,046,057**	**253,895**	**260,095**
Income tax expenses	2k, 10c	(474,865,715)	–	(33,338)	–
INCOME (LOSS) FOR THE YEAR		**3,185,409,587**	**3,283,046,057**	**220,557**	**181,523**
OTHER COMPREHENSIVE LOSS					
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods: Re-measurement loss on long-term employment benefits liability		(48,070,610)	(25,919,382)	(3,375)	(1,884)
Other comprehensive loss to be reclassified to profit or loss in subsequent period: Translation adjustment		**-**	**-**	**(37,088)**	**(14,436)**
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**3,137,338,977**	**3,257,126,675**	**180,094**	**165,203**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Changes in Equity
Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

	Indonesian Rupiah						
	Note	Capital Stock	Additional Paid in Capital	Deposits for Future Stock Subscription	Other Comprehensive Loss	Deficit	Net Equity (Capital Deficiency)
Balance as of March 31, 2017		**23,289,300,000**	**–**	**–**	**(1,068,587,119)**	**(355,755,992,285)**	**(333,535,279,404)**
Income for the year		–	–	–	–	3,283,046,057	3,283,046,057
Deposit for future stock subscription	16	–	–	346,019,250,000	–	–	346,019,250,000
Additional paid in capital tax amnesty	10d	–	385,000,000	–	–	–	385,000,000
Re-measurement loss on long-term employment benefits liability	15	–	–	–	(25,919,382)	–	(25,919,382)
Balance as of March 31, 2018		**23,289,300,000**	**385,000,000**	**346,019,250,000**	**(1,094,506,501)**	**(352,472,946,228)**	**(16,126,097,271)**
Income for the year		–	–	–	–	3,185,409,587	3,185,409,587
Conversion of deposits for future stock subscription to capital stock	16	346,019,250,000	–	(346,019,250,000)	–	–	–
Re-measurement loss on long-term employment benefits liability	15	–	–	–	(48,070,610)	–	(48,070,610)
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**

	Translations into U.S. Dollar - Unaudited (Note 2l)							
					Other Comprehensive Loss			
	Capital Stock (Note 16)	Additional Paid in Capital	Deposits for Future Stock Subscription	Deficit	Remeasurement Loss on Long-term Employee benefits Liability	Transaction Adjustment (Note 2l)	Total	Net Equity (Capital Deficiency)
Balance as of March 31, 2017	**11,450,000**	**–**	**–**	**(30,349,571)**	**(80,481)**	**(6,058,259)**	**(6,138,740)**	**(25,038,311)**
Loss for the year	–	–	–	181,523	–	–	–	181,523
Re-measurement loss on long-term employee benefits liability	–	–	–	–	(1,884)	–	(1,884)	(1,884)
Additional paid on capital – Tax amnesty	–	28,902	–	–	–	–	–	28,902
Deposits for future stock subscription	–	–	26,016,500	–	–	–	–	26,016,500
Transaction adjustment	–	–	–	–	–	(14,436)	(14,436)	(14,436)
Balance as of March 31, 2018	**11,450,000**	**28,902**	**26,016,500**	**(30,168,048)**	**(82,365)**	**(6,072,695)**	**(6,155,060)**	**1,172,294**
Income for the year	–	–	–	220,557	–	–	–	220,557
Conversion of deposits for future stock subscription to capital stock	26,016,500	–	(26,016,500)	–	–	–	–	–
Re-measurement loss on long-term employee benefits liability	–	–	–	–	(3,375)	–	(3,375)	(3,375)
Transaction adjustment	–	–	–	–	–	(37,088)	(37,088)	(37,088)
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**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Cash Flows
Year Ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

	Notes	Indonesian Rupiah year ended March, 31 2019	Indonesian Rupiah year ended March, 31 2018	Translations into U.S. Dollar Unaudited (Note 2l) year ended March, 31 2019	Translations into U.S. Dollar Unaudited (Note 2l) year ended March, 31 2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		3,660,275,302	3,283,046,057	253,895	181,523
Adjustments to reconcile income before income tax for the year to net cash provided by operating activities:					
Depreciation	8, 10d	3,436,638,944	1,650,649,758	239,925	121,895
Provision for replacement of furniture, fixtures and equipment	13	405,770,752	965,286,555	28,618	72,063
Provision for employee benefits net of benefit payment	15	263,373,932	420,460,214	18,490	31,341
Unrealized loss (gain) on foreign exchange		(110,004,562)	(715,509,383)	–	–
Provision for (reversal of) allowance for impairment of trade receivables	5	(39,304,790)	(3,384,684)	(2,759)	(254)
Changes in operating asset and liabilities:					
Trade receivables		617,513,435	(12,428,822)	45,058	(904)
Inventories		201,529,918	137,371,688	14,148	9,986
Prepayments and advances		(2,936,673,569)	541,533,432	(206,169)	39,367
Other financial assets		3,578,239,014	(271,543,225)	260,132	(25,849)
Trade payables		(572,040,027)	94,846,936	(46,410)	6,895
Other payables		(153,149,015)	(88,127,532)	(10,752)	(6,406)
Accrued expenses		430,153,740	645,590,879	28,072	46,932
Tax payables		712,998,821	5,280,258	49,350	384
Due to a related party		(134,797,976)	815,620,602	(9,898)	58,907
Due to hotel operator		–	117,834,467	–	(8,846)
Other current liabilities		80,460,684	(1,163,210,245)	5,345	(92,691)
Net Cash Flows Provide by (Used In) Operating Activities		**9,440,984,603**	**6,187,648,021**	**667,045**	**434,343**

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Statement of Cash Flows *(Contd...)* year ended March 31, 2019

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar (Note 2l)	
		year ended March, 31		year ended March, 31	
	Notes	**2019**	**2018**	**2019**	**2018**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	8	(22,591,327,788)	(15,757,994,164)	(1,586,024)	(1,143,840)
Utilization of reserve for replacement of furniture, fixtures and equipment	13	(51,894,000)	(406,759,300)	(3,643)	(30,302)
Total Cash Used in Investing Activities		**(22,643,221,788)**	**(16,164,753,464)**	**(1,589,667)**	**(1,174,142)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts of fund from shareholder	12	**13,824,771,715**	**-**	**970,568**	**-**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		**622,534,530**	**(9,977,105,443)**	**47,946**	**(739,799)**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**138,398,659**	**191,771,083**	**-**	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	2,198,545,296	11,983,879,656	159,824	899,623
CASH ON HAND AND IN BANKS AT END OF YEAR	4	**2,959,478,485**	**2,198,545,296**	**207,770**	**159,824**

Information on non-cash activities are disclosed in Note 27.

The accompanying notes to the financial statement from an integral part of these Financial Statements taken as a whole.

Notes to the Financial Statements As of March 31, 2019 and for the Year Then Ended

(Expressed in 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, 2019 and 2018 are as follows:

		2019	2018
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 Ketut Siandana
Director	:	I Ketut Siandana	Deepak Madhok
Director	:	Deepak Madhok	I Wayan Pasek

The Company employed a total of 110 and 115 permanent employees as of March 31, 2019 and 2018, respectively (unaudited).

EIH Holdings Ltd. and EIH International Ltd. are the immediate and ultimate parent companies, respectively, of the Company.

On August 5, 2018, an earthquake occurred in Lombok damaging the hotel properties. In effect, the Company temporarily stopped its operations. Resulting loss due to business interruption is covered by the Company's insurance policy. As of report date, the hotel buildings are still undergoing renovations. The Company plans to resume hotel operations starting June 15, 2019.

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 May 9, 2019.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7 (Revised 2015), "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.

c. 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.

d. 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.

e. 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.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

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 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.

f. 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

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

g. 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.

h. Employee Benefits Liability

<u>Short-term employee benefits</u>

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.

<u>Post-employment benefits</u>

The Company 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".

The Company applied the revised policy for recognizing actuarial gains or losses, which are directly recognized in other comprehensive income.

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.

Past service costs are recognized immediately in profit or loss.

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i. Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value added taxes ("VAT").

Expenses are recognized when they are incurred.

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.

j. 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, 2019 and 2018, the rates of exchange used were Rp 14,244 and Rp13,756, respectively, to US$1.

k. 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" in the statement of profit or loss and other comprehensive income. The Company also presented interest/penalty, if any, as part of "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

Notes to the Financial Statements *(Contd...)*

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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.

<u>Value added tax (“VAT”)</u>

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.

<u>Final Tax</u>

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.

<u>Tax amnesty</u>

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

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APIC shall not be reclassified to retained earnings or recycled to profit or loss subsequently.

l. 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 (Rp14,244 to US$1, and Rp13,756 to US$1 as last quoted by Bank Indonesia as of March 31, 2019 and 2018, 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.

m. Financial Instruments

i. Financial assets

<u>Initial recognition</u>

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, 2019 and 2018, 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.

<u>Subsequent measurement</u>

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.

Notes to the Financial Statements *(Contd...)*

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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, 2019 and 2018, 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.

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.

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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.

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

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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.

3. SIGNIFICANT ACCOUNTING JUDGMENT, 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:

<u>Determination of Functional Currency</u>

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.

<u>Classification of Financial Assets and Financial Liabilities</u>

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 2m.

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.

<u>Allowance for Impairment of Receivables</u>

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

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the Company expects to collect. These specific provisions are re-evaluated and adjusted as additional information 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, 2019 and 2018 amounted to Rp50,165,117,114 and Rp26,895,593,971, respectively. Further details are disclosed in Note 8.

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 22 to the financial statements.

4. CASH ON HAND AND IN BANKS

Cash on Hand and in Banks consists of the following:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Cash on hand				
Rupiah	79,500,006	79,500,005	5,580	5,779

Notes to the Financial Statements *(Contd...)*

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Cash in banks				
Rupiah				
PT Bank Mandiri (Persero) Tbk	2,817,970,558	153,156,200	197,836	11,134
PT Bank Negara Indonesia (Persero) Tbk	6,303,246	71,926,663	443	5,229
PT Bank Maybank Indonesia Tbk	2,461,645	535,968,133	173	38,962
Sub-total	**2,826,735,449**	**761,050,996**	**198,452**	**55,325**
U.S. dollar				
PT Bank Maybank Indonesia Tbk	27,675,665	27,677,991	1,943	2,012
PT Bank Negara Indonesia (Persero) Tbk	25,567,365	1,330,316,304	1,795	96,708
Sub-total	53,243,030	1,357,994,295	3,738	98,720
Total	**2,959,478,485**	**2,198,545,296**	**207,770**	**55,325**

Interest income from cash in banks amounting to Rp452,425 and Rp900,491 for the years ended March 31, 2019 and 2018, respectively, is presented as part of "Finance income" in the statement of profit or loss and other comprehensive income. As of March 31, 2019 and 2018, none of the Company's cash on hand and in banks are restricted in use or used as collateral.

5. TRADE RECEIVABLES

Trade Receivables consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
City ledger	139,980,169	432,478,516	9,827	31,440
Guest ledger	6,047,999	252,453,507	425	18,352
Total	146,028,168	684,932,023	10,252	49,792
Less: allowance for impairment	(39,304,790)	-	(2,759)	-
Net	**106,723,378**	**684,932,023**	**7,493**	**49,792**

City ledger represents receivable from travel agents, bank related to credit card payments and H2O Sports for the facilities used in the hotel.

Guest ledger represents receivables from guests that are currently checked in at the hotel as of March 31, 2019 and 2018.

The ageing analysis of these receivables is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Current	106,723,378	675,017,079	7,493	49,071
Past due				
1-30 days	_	9,914,944	_	721
31-60 days	–	_	_	_

Notes to the Financial Statements *(Contd...)*

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Over 60 days	39,304,790	–	2,759	–
Total	146,028,168	684,932,023	10,252	49,792
Less allowance for impairment	(39,304,790)	–	(2,759)	–
Net	**106,723,378**	**684,932,023**	**7,493**	**49,792**

The movement of the allowance for impairment are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	**2018**	**2019**	**2018**
Balance at the beginning of year	-	3,384,684	-	254
Provisions during the year	39,304,790	31,330,356	2,757	2,332
Reversals during the year	-	(34,715,040)	-	(2,524)
Translation adjustment	-	-	2	(62)
Balance at end of year	**39,304,790**	**-**	**2,759**	**-**

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, 2019 is sufficient to cover losses from impairment of such receivables while outstanding balances as of March 31, 2018 are fully collectible; hence, no allowance for impairment was recognized.

6. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	**2018**	**2019**	**2018**
Materials and supplies	527,152,019	522,947,332	37,008	38,016
Beverages	298,658,420	330,161,746	20,967	24,002
Food	131,636,406	295,386,093	9,242	21,473
Boutique	57,612,057	67,189,165	4,045	4,884
Tobacco	526,667	1,431,151	37	104
Total	**1,015,585,569**	**1,217,115,487**	**71,299**	**88,479**

The Company's inventories as of March 31, 2019 and 2018 are stated at cost.

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2019 and 2018 since the inventories are fully usable.

Notes to the Financial Statements *(Contd...)*

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7. PREPAYMENTS AND ADVANCES

Prepayments and advances consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Prepaid insurance	1,480,086,186	1,046,721,618	103,909	76,092
Advance purchases	350,754,269	1,838,328,906	24,625	133,638
Prepaid tax	-	24,638,947	-	1,791
Prepaid others	57,530,207	79,841,921	4,039	5,805
Total	**1,888,370,662**	**2,989,531,392**	**132,573**	**217,326**

8. FIXED ASSETS

The details of fixed assets are as follows:

	Year Ended March 31, 2019				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	33,789,670,312	15,946,159,681	-	8,232,187,579[1]	57,968,017,572
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,191,024,243	-	-	-	11,191,024,243
Furniture, fixtures and equipment	11,839,253,920	46,036,501	(211,768,000)[3]	4,037,834,299 [2]	15,711,356,720
Motor vehicles	1,222,543,500	-	-	-	1,222,543,500
Construction in Progress	8,232,187,582	6,599,131,606	-	(8,232,187,579) [1]	6,599,131,609
Total Cost	76,904,929,980	22,591,327,788	(211,768,000)	4,037,834,299	103,322,324,067
Accumulated Depreciation					
Buildings	26,911,364,338	1,289,381,889	-	-	28,200,746,227
Structures and improvements	4,935,914,094	42,929,530	-	-	4,978,843,624
Machinery and equipment	7,534,640,624	578,262,645	-	-	8,112,903,269
Furniture, fixtures and equipment	9,861,919,348	1,207,628,572	(211,768,000)[3]	-	10,857,779,920
Motor vehicles	765,497,605	241,436,308	-	-	1,006,933,913
Total Accumulated Depreciation	50,009,336,009	3,359,638,944	(211,768,000)	-	53,157,206,953
Net Book Value	**26,895,593,971**				**50,165,117,114**

1) Reclassification from Construction in progress to Building amounting to Rp8,232,187,579

2) Reclassification from Prepayment accounts to Fixed Assets - Machinery and equipment and Furniture, fixtures, and equipment amounting to Rp4,037,834,299.

3) Deductions pertain to fully depreciated furniture, fixtures and equipment which were damaged by earthquake.

Notes to the Financial Statements *(Contd...)*

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8. FIXED ASSETS *(Contd.)*

	Year Ended March 31, 2018				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	28,788,844,865	5,000,825,447	-	-	33,789,670,312
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	8,023,837,043	1,834,177,600	-	1,333,009,600[1)]	11,191,024,243
Furniture, fixtures and equipment	10,722,397,313	690,803,535	-	426,053,072[1)]	11,839,253,920
Motor vehicles	1,222,543,500	-	-	-	1,222,543,500
Construction in Progress	-	8,232,187,582	-	-	8,232,187,582
Total Cost	59,387,873,144	15,757,994,164	-	1,759,062,672	76,904,929,980
Accumulated Depreciation					
Buildings	26,618,147,614	293,216,724	-	-	26,911,364,338
Structures and improvements	4,892,984,564	42,929,530	-	-	4,935,914,094
Machinery and equipment	7,116,565,282	418,075,342	-	-	7,534,640,624
Furniture, fixtures and equipment	9,259,133,219	602,786,129	-	-	9,861,919,348
Motor vehicles	520,988,905	244,508,700	-		765,497,605
Total Accumulated Depreciation	48,407,819,584	1,601,516,425	-	-	50,009,336,009
Net Book Value	**10,980,053,560**				**26,895,593,971**

[1)] Reclassification from Advance purchases to Fixed asset accounts - Machinery and equipment and Furniture, fixtures, and equipment amounting to Rp1,333,009,600 and Rp426,053,072, respectively.

	Year Ended March 31, 2019 — Translations into U.S. Dollar - Unaudited (Note 2l)					
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Translation Adjustment**	**Ending Balance**
Cost						
Land	397,682	-	-	-	(13,625)	384,057
Buildings	2,456,359	1,119,500	-	577,941[1)]	(84,155)	4,069,645
Structures and improvements	375,090	-	-	-	(12,851)	362,239
Machinery and equipment	813,537	-	-	-	(27,871)	785,666
Furniture, fixtures and equipment	860,661	3,232	(14,867)[3)]	303,118[2)]	(49,128)	1,103,016
Motor vehicles	88,874	-	-	-	(3,044)	85,830
Construction in Progress	598,442	463,292	-	(577,941)[1)]	(20,502)	463,291
Total Cost	5,590,645	1,586,024	(14,867)	303,118	(211,176)	7,253,744
Accumulated Depreciation						
Buildings	1,956,336	90,276	-	-	(66,779)	1,979,833
Structures and improvements	358,818	2,770	-	-	(12,048)	349,540
Machinery and equipment	547,735	40,352	-	-	(18,521)	569,566
Furniture, fixtures and equipment	716,918	84,538	(14,867)	-	(24,318)	762,271
Motor vehicles	55,648	16,706	-	-	(1,662)	70,692
Total Cost	3,635,455	234,642	(14,867)	-	(123,328)	3,731,902
Net Book Value	**1,955,190**					**3,521,842**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

[1] Reclassification from Construction in progress to building amounting to US$577,941.

[2] Reclassification from Prepayment accounts to Fixed Assets - Machinery and equipment and Furniture, fixtures, and equipment amounting to US$303,118.

[3] Deductions pertain to fully depreciated furniture, fixtures and equipment which were damaged by earthquake.

	Year Ended March 31, 2018					
	Translations into U.S. Dollar - Unaudited (Note 2l)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	410,668	-	-	-	(12,986)	397,682
Buildings	2,161,162	365,092	-	-	(69,895)	2,456,359
Structures and improvements	387,338	-	-	-	(12,248)	375,090
Machinery and equipment	602,345	130,570	-	100,068[1]	(19,446)	813,537
Furniture, fixtures and equipment	804,925	49,736	-	31,984[1]	(25,984)	860,661
Motor vehicles	91,776	-	-	-	(2,902)	88,874
Construction in Progress	-	598,442	-	-	-	598,442
Total Cost	4,458,214	1,143,840	-	132,052	(143,461)	5,590,645
Accumulated Depreciation						
Buildings	1,998,209	21,580	-	-	(63,453)	1,956,336
Structures and improvements	367,313	3,187	-	-	(11,682)	358,818
Machinery and equipment	534,237	30,716	-	-	(17,218)	547,735
Furniture, fixtures and equipment	695,078	44,688	-	-	(22,848)	716,918
Motor vehicles	39,111	18,152	-	-	(1,615)	55,648
Total Cost	3,633,948	118,323	-	-	(116,816)	3,635,455
Net Book Value	**824,266**					**1,955,190**

[1] Reclassification from Advance purchases to Fixed asset accounts - Machinery and equipment and Furniture, fixtures, and equipment amounting to US$100,068 and US$31,984, respectively.

Related to the renovation of hotel properties, the percentage of completion of construction in progress as of March 31, 2019 is 43.16% with the expected completion date on September 30, 2019.

Depreciation charged to operations amounted to Rp3,359,638,944 and Rp1,601,516,425 for the years ended March 31, 2019 and 2018, respectively. The Company's fixed assets are covered by insurance against losses from fire and other risks under blanket policies with total coverage amounting to US$27,000,000 (Rp384,588,000,000) and US$32,000,000 (Rp440,192,000,000) in 2019 and 2018 respectively. Further, the Company is also covered by insurance against business interruption under blanket policies with total coverage amounting to US$8,500,000 (Rp121,074,000,000) in 2019 and 2018. 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 filed for insurance claims against its insurance provider in 2017.

On April 11, 2017 and February 12, 2018, the Company received the first and second approvals of claims for fire loss insurance relating to back office amounting to US$240,000 and US$260,000, respectively. The Company has received the insurance coverage amounting to US$240,000 and US$260,000 on the first and second approvals, respectively, on various dates from May 2017 to April 2018.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

On November 8, 2017, March 5, 2018, and August 27 2018, the Company received the first, second, and third approvals for claims on fire loss relating to the portions of the pavilion amounting to Rp5,300,000,000, Rp3,300,000,000, and Rp3,300,000,000, respectively. The Company has received the insurance coverage amounting to Rp5,300,000,000, Rp3,300,000,000, and Rp3,300,000,000 on the first, second, and third approvals, respectively, on various dates from July 2017 to October 2018.

On June 22, 2018 and January 9 2019, the Company received the final approvals for remaining insurance coverage for the back office and pavilions amounting to US$282,203 and Rp11,904,811,100, respectively. The Company has received the insurance coverage amounting to US$282,203 and Rp11,904,811,100, respectively, on various dates from July 2018 to February 2019.

8. FIXED ASSETS - NET (CONTINUED)

The movements in the estimated claims for insurance are as follows:

	Fire loss- back office		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Estimated claims from insurance, beginning	536,484,000	3,197,040,000	2,970,000,000	-
Claims approved by Insurance	4,070,998,267	3,579,654,000	16,954,811,100	8,600,000,000
Total claims from insurance	4,607,482,267	6,776,694,000	19,924,811,100	8,600,000,000
Proceeds from insurance claims:				
April 1, 2017 to March 31, 2018	_	6,236,255,025	-	5,630,000,000
April 1, 2018 to March 31, 2019	4,607,482,267	-	19,924,811,100	-
Gain from foreign exchange	702,000	3,954,975	-	-
Total proceeds from insurance claims	4,608,184,267	6,240,210,000	19,924,811,100	5,630,000,000
Estimated claims from insurance, ending	**-**	**536,484,000**	**-**	**2,970,000,000**

Approved claims from insurance amounting to Rp21,025,809,367 and Rp12,179,654,000 as of March 31, 2019 and 2018, 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:

	Fire loss- back office		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Total claims from insurance	4,607,482,267	6,776,694,000	19,924,811,100	8,600,000,000
Claims already recognized as gain on insurance in prior year	(536,484,000)	(3,197,040,000)	(2,970,000,000)	-
Gain on Insurance	**4,070,998,267**	**3,579,654,000**	**16,954,811,100**	**8,600,000,000**

As of March 31, 2019 and 2018, the management believes that there is no impairment in the value of the Company's fixed assets.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

9. OTHER PAYABLES

This account consists of payables to third parties for:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Marketing and sales promotion expenses	696,158,633	278,628,414	48,874	20,255
General reserve	14,359,262	543,211,949	1,008	39,489
Others	228,268,130	259,037,210	16,026	18,831
Total	**938,786,025**	**1,080,877,573**	**65,908**	**78,575**

10. TAXATION

a. Taxes payable consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Development tax I	776,568,208	154,641,756	54,519	11,241
Income tax				
Article 21	21,318,143	57,882,182	1,497	4,208
Article 23	193,936,224	66,467,415	13,615	4,832
Article 26	4,705,600	4,538,000	330	330
Article 29	474,865,714	-	33,338	-
Total	**1,471,393,889**	**283,529,353**	**103,299**	**20,611**

b. A reconciliation between income before income tax, as shown in the statement of profit or loss and other comprehensive income, and estimated taxable income (tax loss carryforward) follows:

	Year Ended March 31,	
	2019	2018
Income (loss) before income tax per statement of profit or loss and other comprehensive income	3,660,275,302	3,283,046,057
Temporary differences:		
Provision for replacement of furniture, fixtures and equipment – net	353,876,753	558,527,255
Provision for employee benefits	537,001,231	574,174,304
Employee benefit payments	(273,627,299)	(153,714,090)
Provision for (reversal of) allowance for impairment of trade receivables - net	39,304,790	(3,384,684)
Depreciation	(76,008,321)	115,832,633
Permanent differences:		
Interest income already subjected to final tax	(40,803,886)	(900,491)
Depreciation	77,570,833	49,989,583
Others	81,708,498	69,479,693

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

10. TAXATION *(Contd.)*

Estimated taxable income (loss) for the year	4,359,297,901	4,493,050,260
Tax losses carry-forward at beginning of year	(2,314,614,903)	(6,807,665,163)
Estimated taxable income (tax losses carry-forward) at end of year	**2,044,682,998**	**(2,314,614,903)**

c. 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 Unaudited (Note 2l)**	
	Year Ended March 31,		**Year Ended March 31,**	
	2019	**2018**	**2019**	**2018**
Income before income tax	3,660,275,302	3,283,046,057	253,895	181,523
Estimated tax expense (benefit) based on prevailing tax rate	915,068,826	820,761,514	63,474	45,380
Net permanent difference at the applicable tax rate	29,618,861	29,642,196	2,051	2,155
Unrecognized deferred tax assets-net	145,136,789	272,858,854	10,204	19,836
Utilisation of tax losses carry forward	(578,653,726)	(1,123,262,564)	(42,066)	(67,371)
Tax facility of income tax art. 31 E	(36,305,035)	-	(2,521)	-
Translation adjustment	-	-	2,196	-
Income tax expense	**474,865,715**	**-**	**33,338**	**-**

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 Rp36,305,036 for the year ended March 31, 2019. Meanwhile, there was no tax reduction due to tax loss for the year ended in March 31, 2018.

As of March 31, 2018 and 2017, 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 2l)**	
	As of March 31,		**As of March 31,**	
	2019	**2018**	**2019**	**2018**
Tax losses carry-forward benefits	-	2,314,614,903	-	168,262
Reserve for replacement of FFE	7,968,498,494	7,614,621,742	559,428	553,549
Long-term employee benefit liability	4,622,703,741	4,311,259,199	324,537	313,409
Allowance for doubtful accounts	39,304,790	-	2,759	-

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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, 2019 and 2018, 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 2l)**	
	As of March 31,		**As of March 31,**	
	2019	**2018**	**2019**	**2018**
Balance as approved by tax authority	385,000,000	385,000,000	28,902	28,902
Accumulated depreciation	(126,133,333)	(49,133,333)	(8,855)	(3,572)
Translation adjustment	-	-	(1,873)	(914)
Net book value	**258,866,667**	**335,866,667**	**18,174**	**24,416**

11. ACCRUED EXPENSES

The details of accrued expenses due to third parties are as follows:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Professional fees	1,345,022,294	1,320,901,385	94,427	96,024
Salaries and allowance	492,160,879	734,740,398	34,552	53,412
Human resource	365,939,479	624,923,162	25,691	45,429
Marketing	222,541,048	247,534,796	15,623	17,995
Repair and maintenance	219,513,218	330,108,380	15,411	23,997
Utilities	117,174,917	239,608,580	8,226	17,418
Others	2,312,667,111	1,129,711,875	162,362	82,126
Total	**5,075,018,946**	**4,627,528,576**	**356,292**	**336,401**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 21)	
	March 31,		March 31,	
	2019	2018	2019	2018
Due to related parties				
EIH Holdings Ltd.	13,824,771,715	-	970,568	-
PT Widja Putra Karya	843,096,664	977,894,640	59,190	71,089
Total	**14,667,868,379**	**977,894,640**	**1,029,758**	**71,089**
Deposit for future stock subscriptions: (Note 16)				
EIH Management Services B.V.	-	346,019,250,000	-	26,016,500
Other payables: (Note 9)				
EIH Holdings Ltd.	696,158,633	-	48,874	-
EIH Management Services B.V.	-	278,628,414	-	20,255

On December 10, 2018, January 14, 2019 and March 23, 2019, the Company received funds from EIH Holdings, Ltd. to support its operations and working capital requirements amounting to US$150,000, US$400,000, and US$420,568, totaling to US$970,568 (Rp13,824,771,715).

Salaries and wages of the Company's key management personnel amounted to Rp753,836,756 (US$52,663) and Rp705,943,921 (US$52,530) in 2019 and 2018, 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
EIH Holdings Ltd.	Parent company	Management fee, loan payable to finance hotel operations, and international sales promotion Translation adjustment
EIH Management Services B.V.	Shareholder	Management fee and, deposits for future stock subscriptions

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

13. 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 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Balance as approved by tax authority	7,614,621,742	7,056,094,487	553,549	529,697
Provision during the year (Note 21)	405,770,752	965,286,555	28,618	72,063
Utilization of reserve	(51,894,000)	(406,759,300)	(3,643)	(30,302)
Translation adjustment	-	-	(19,096)	(17,909)
Balance at end of year	**7,968,498,494**	**7,614,621,742**	**559,428**	**553,549**

14. OTHER CURRENT FINANCIAL LIABILITIES

This account pertains to guest deposits from customers and travel agents amounting to Rp2,343,095,307 (US$ 164,498) and Rp2,262,634,623(US$ 164,486) as of March 31, 2019 and 2018, respectively.

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The Company provides benefits for its employees who achieve the retirement age of 55 based on the provisions of Labor Law No. 13/2003 dated March 25, 2003. The benefits are unfunded.

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, 2019 and 2018 as determined by PT Lastika Dipa, an independent actuary, in their reports dated April 10, 2019 and April 12, 2018, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2019 and 2018, are as follows:

Discount rate	: 8.54% in 2019 and 7.32% in 2018
Annual salary increase	: 8.00% per annum in 2019 and 2018
Mortality	: TMI III
Retirement age	: 55 years old
Disability rates	: 10% mortality table TMI III

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Current service cost	285,779,774	277,281,063	20,063	20,689
Interest cost	251,221,457	296,893,241	17,637	22,153
Employee benefit expense	**537,001,231**	**574,174,304**	**37,700**	**42,842**

b. Details of employee benefits liability are as follows:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Present value of defined benefits obligation	**4,622,703,741**	**4,311,259,199**	**324,537**	**313,409**

c. Movements in employee benefits liability are as follows:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Beginning balance	285,779,774	277,281,063	20,063	20,689
Employee benefit expense	251,221,457	296,893,241	17,637	22,153
Benefit payments	(273,627,299)	(153,714,090)	(19,210)	(11,501)
Other comprehensive income	48,070,610	25,919,382	3,375	1,884
Translation adjustment	-	-	(10,737)	(9,950)
Ending balance	**4,622,703,741**	**4,311,259,199**	**324,537**	**313,409**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

d. Movements in the present value employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Beginning balance	4,311,259,199	3,864,879,603	313,409	290,134
Employee benefit expense	537,001,231	574,174,304	37,700	42,842
Benefit payments	(273,627,299)	(153,714,090)	(19,210)	(11,501)
Actuarial (gain) losses due from:				
Experience adjustment	-	(179,708,994)	-	(13,064)
Change in financial assumption	48,070,610	205,628,376	3,375	14,948
Translation adjustment	-	-	(10,737)	(9,950)
Ending balance	**4,622,703,741**	**4,311,259,199**	**324,537**	**313,409**

The principal assumptions used in determining the employee benefits liability as of March 31, 2019 and 2018, are as follows:

Within the next 12 months (the next annual reporting year)	:	-
Annual salary increase	:	1,319,464,842
Between 2 and 5 years	:	6,322,247,404
Between 5 and 10 years	:	45,456,757,387

The average duration of the long-term employee benefits liability is 17 years.

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, 2019 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Discount Rate	Salary Rate	Discount Rate	Salary Rate
Increase by 1%	(333,907,707)	370,564,954	(23,442)	26,016
Decrease by 1%	375,814,100	(335,196,868)	26,384	(23,532)

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

16. CAPITAL STOCK

The shares ownership details as of March 31, 2019 and 2018 are as follows:

Series A

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2l)
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	Translation into U.S. Dollar- Unaudit (Note 2l)
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**

March 31, 2018

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2l)
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**

On March 20, 2018, the shareholders approved the subscription and paid-up capital by EIH Management Service B.V. through the conversion of the Company's loan payable to EIH Management Service B.V. from the previous year into equity shares in the Company amounting to US$26,016,500 equivalent to Rp346,019,250,000. According to notarial deed No. 42 dated April 23, 2018 of Djumini Setyoadi, SH, M.KN, notarial deed of change in equity

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

was approved by the Ministry of Justice in its decision letter No. AHU-AH.01.03-0208049 dated May 22, 2018. Hence, deposits for future stock subscription was converted to capital stock B series.

Based on annual general meeting of shareholders of the Company, the shareholders agreed and approved to sell and transfer shares which was held and owned by EIH Management Services B.V. to EIH Holdings Ltd. effective March 19, 2019. The annual general meeting of shareholders has been received and approved by the Minister of Law and Human Rights dated November 27, 2018.

17. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Room department				
Villa	4,693,153,796	13,516,460,242	331,015	1,009,781
Employee benefit expense	3,394,384,459	6,210,033,779	239,412	463,936
Sub-total	8,087,538,255	19,726,494,021	570,427	1,473,717
Food and beverages department				
Food	3,362,511,190	7,282,074,986	237,197	544,081
Change in financial assumption	1,167,358,337	2,447,350,348	82,353	182,8658
Sub-total	4,529,869,527	9,729,425,334	319,550	726,946
Other operating departments				
Health spa	367,370,969	824,790,204	25,959	61,573
Boutique	162,829,037	364,444,225	11,488	27,186
Telephone and facsimile	34,853,899	79,968,785	2,460	5,974
Laundry	34,136,571	89,857,360	2,403	6,712
Sub-total	599,190,476	1,359,060,574	42,310	101,445
Others	309,093,521	1,361,238,556	21,674	99,985
Total	**13,525,691,779**	**32,176,218,485**	**953,961**	**2,402,093**

In 2019 and 2018, the average hotel room occupancy rates were 56.5% and 37.6%, respectively (unaudited).

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

18. 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 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Food and beverage	1,263,188,951	3,052,381,274	89,156	227,984
Payroll and related expenses:				
Salaries and wages	3,928,909,264	3,844,110,695	275,233	286,116
Employee benefits	1,702,937,713	2,445,446,184	119,269	182,146
Other expenses:				
Security	624,836,208	581,811,094	43,738	43,271
Travel agents	595,328,740	1,385,000,000	42,126	103,488
Cleaning and guest supplies	304,481,181	836,923,393	21,517	62,480
Welcome drinks, fruit baskets, and amenities	210,140,821	591,745,308	14,865	44,211
Linens and uniforms	167,800,425	299,240,898	11,849	22,329
Laundry	147,287,364	84,645,912	10,381	6,273
Boutique	123,937,204	266,049,336	8,743	19,839
Transportation and travel	95,363,050	198,174,692	6,733	14,796
Health club	85,284,325	100,299,144	6,008	7,478
Telephone and communication	79,118,431	163,422,299	5,608	12,180
Cultural music and shows	68,973,625	160,983,650	4,862	12,014
Loss and damages	65,628,045	87,704,890	4,626	6,545
Cable television and music	44,000,000	119,373,844	3,113	8,920
Decoration	30,012,198	107,031,786	2,118	7,991
Kitchen Fuel	17,846,808	369,641,561	1,258	27,586
Others	408,646,876	923,979,418	28,802	69,214
Total	**9,963,721,229**	**15,617,965,378**	**700,005**	**1,164,861**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

19. 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 2l)	
	March 31,		March 31,	
	2019	2018	2019	2018
Repairs and maintenance	1,251,677,828	2,138,026,166	86,848	159,232
Electricity	1,106,305,386	1,999,622,298	78,005	148,850
Salaries and wages	620,898,378	731,938,805	44,718	54,555
Fuel	575,251,842	865,600,378	40,561	64,434
Provision for replacement of furniture fixtures and equipment (Note 13)	405,770,752	965,286,555	28,618	72,063
Supplies	249,850,594	399,412,044	17,584	29,761
Water	146,556,587	247,211,047	10,334	18,401
Others	33,173,179	102,874,389	2,335	7,667
Total	**4,389,484,546**	**7,449,971,682**	**309,003**	**554,963**

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Salaries and wages	2,294,026,649	2,447,733,953	160,613	182,224
Employee benefits	716,906,780	910,034,385	50,187	70,389
Commission on credit cards	224,484,005	483,229,227	15,716	35,975
Insurance	213,902,935	137,729,986	14,976	10,253
Transportation and travel	191,654,797	199,845,989	13,418	14,878
Telephone and communication	71,499,786	105,942,831	5,006	7,887
Bank charges	70,315,989	100,125,598	4,923	7,454
Licenses and taxes	66,911,474	168,063,067	4,685	12,512
Printing and stationery	35,426,225	92,651,250	2,480	6,898
Others	2,623,079,770	1,567,182,848	183,913	114,145
Total	**6,508,208,410**	**6,212,539,134**	**455,917**	**462,615**

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

21. MARKETING EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Advertising and promotion	1,496,712,996	2,157,921,211	103,967	161,022
Sales promotion expenses (Note 24)	405,770,752	965,286,555	28,618	72,063
Transportation and travel	218,125,445	601,231,511	15,152	44,863
Others	328,344,937	271,750,727	22,808	20,278
Total	**2,448,954,130**	**3,996,190,004**	**170,545**	**298,226**

22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company has various financial assets such as cash on hand and in banks, trade receivables 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, 2019 and 2018.

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)

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

23 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.

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, 2019, 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			
Advertising and promotion	US$	3,738	53,243,030
Trade receivables	US$	7,864	112,014,816
Total			165,257,846
Liabilities			
Due to a related party	US$	970,568	13,824,771,715
Other payable	US$	48,874	696,158,633
Total			14,520,930,348
Net Liabilities			**14,355,672,502**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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 22.

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 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Current Financial Assets				
Cash in banks	2,879,978,479	2,119,045,291	202,190	154,045
Trade receivables - net	106,723,378	684,932,023	7,493	49,792
Other current financial assets	30,401,236	3,608,640,250	2,134	262,332
Total Financial Assets	**3,017,103,093**	**6,412,617,564**	**211,817**	**466,169**

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, 2019 which was due within a year. As of March 31, 2019, the Company's current liabilities exceed its current assets by Rp26,664,458,792 (see item "d" below).

d. Capital Management

A letter of support, dated May 9, 2019, from EIH Holdings Ltd. was received confirming their commitment not to withdraw their capital contribution and their willingness to provide necessary financial support to the Company to enable it to pay all its obligations when they fall due and for the Company to be able to carry on its business through the financial year ending March 31, 2020 without curtailment.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

24. 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.

25. 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, 2019:

Effective beginning on or after April 1, 2019:

a. ISAK 33: Foreign Currency Transaction and Advance Consideration, with earlier application is permitted. These amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

Effective beginning on or after April 1, 2020:

b. PSAK 71: Financial Instruments, with earlier application is permitted. This accounting standard is expected to have impact to the Company's classification and measurement of financial assets and liabilities. Thus, it requires the Company's exercise of judgment, including the assessment of business model and characteristics of contractual cash flows. The standard also requires impairment model under expected credit loss model from the previous requirement under occurred loss model.

c. PSAK 72: Revenue from Contracts with Customers, with earlier application is permitted and can be applied using either using full retrospective approach or modified retrospective approach. This accounting standard requires the Company to apply 5-step model in recognizing revenue. The Company will be required to identify performance obligation promised in each contract with the customer, including any variable consideration, and only recognize revenue in accordance with the determined/allocated transactions price upon satisfaction of the performance obligation.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

d. PSAK 73: Leases, with earlier application is permitted and can be applied using retrospective approach. This accounting standard requires lessees to account all leases under a single on-balance sheet model in a similar way to finance leases under the superseded PSAK 30. The standard includes two recognition exemptions for lessees such as for leases of 'low value' assets and short-term leases. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting is substantially unchanged from the superseded PSAK 30.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

26. RECLASSIFICATIONS OF ACCOUNTS

The following accounts were presented on financial statement as of March 31, 2018 which had been reclassified for comparison purpose to financial statements as of March 31, 2019

	Indonesian Rupiah		
	Previous Reclassification	**Reclassification**	**After Reclassification**
Property operations, maintenance and energy expense	6,484,685,127	965,286,555	7,449,971,682
General and administrative Expense	7,177,825,689	(965,286,555)	6,212,539,134

	Translations into U.S. Dollar – Unaudited (Note 2l)		
	Previous Reclassification	**Reclassification**	**After Reclassification**
Property operations, maintenance and energy expense	482,899	72,064	554,963
General and administrative Expense	534,679	(72,064)	462,615

27. 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 2l)**	
	March 31,		**March 31,**	
	2019	**2018**	**2019**	**2018**
Additions to fixed assets	4,037,834,299	1,759,062,672	303,118	132,052

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 2019.

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 (2018: $Nil) after providing for income tax of $Nil (2018: $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 31 March 2019.

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:

21 May 2019

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 2019, 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 31 March 2019, 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 arefurther 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
21 May 2019

Statement of Comprehensive Income
For the year ended 31 March 2019

(Expressed in United States Dollars)

	Note	**31 March 2019**	31 March 2018
		$	$
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 31 March 2019

(Expressed in United States Dollars)

	Note	31 March 2019 $	31 March 2018 $
Current Assets			
Amount due to related parties		**-**	-
Total Current Assets		**-**	-
Non-Current Assets			
Property, plant and equipment		**6,181,436**	6,159,317
Total Current Assets		**6,181,436**	6,159,317
Total Assets		**6,181,436**	6,159,317
Current Liabilities			
Amount due to related parties		**-**	-
Total Current Liabilities		**-**	-
Non-Current Liabilities			
Amount due to shareholders		**3,581,436**	3,559,317
Total Non-Current Liabilities		**3,581,436**	3,559,317
Total Liabilities		**3,581,436**	3,559,317
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 31 March 2019

(Expressed in United States Dollars)

	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2018	**2,600,000**	**-**	**2,600,000**
Profit for year	-	-	-
Other comprehensive income	-	-	-
As at 31 March 2019	**2,600,000**	**-**	**2,600,000**

	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2017	**2,600,000**	**-**	**2,600,000**
Profit for year	-	-	-
Other comprehensive income	-	-	-
As at 31 March 2018	**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 31 March 2019

(Expressed in United States Dollars)

1. Corporate information

The financial report of PT Astina Graha Ubud. (the "Company") for the year ended 31 March 2019 was authorised for issue on 21 May 2019.

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

During the period the entity adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, the impact of this was not material.

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.

3. Turnover

Turnover represents dividends from investments.

Notes to the Financial Statements *(Contd...)*

4. Profit Before Taxation

Profit before taxation is arrived at after charging and crediting:

After charging:

	31 March 2019 $	31 March 2018 $
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

	31 March 2019 $	31 March 2018 $
Fees	-	-
Other emoluments	-	-

7. Share Capital

	31 March 2019 $	31 March 2019 $
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.

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 Company for the year ended 31 March 2019;

(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 31 March 2019; 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.

21 May 2019 Deepak Madhok