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*	*(upto 25th February 2020)*
Additional Director	*(w.e.f. 31st March 2020)*
Mr. Sandeep Kumar Barasia, *Independent Director*	
Dr. Chhavi Rajawat, *Additional Director*	*(w.e.f. 25th October 2019)*

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 Thirtieth Annual Report together with the Audited Financial Statement and the Auditor's Report in respect of the Financial Year ended on 31st March 2020.

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

PARTICULARS	₹ ***(in million)***	
	2019-20	**2018-19**
Total Revenue	**1005.42**	1,071.29
Earnings before Interest, Depreciation and Amortization, Taxes and Exceptional Items (EBIDTA)	**436.39**	496.38
Finance Costs	**0.18**	0.32
Depreciation	**28.12**	22.34
Profit before Tax	**408.09**	473.72
Current Tax	**105.12**	135.47
Deferred Tax	**(18.46)**	0.53
Profit after Tax	**321.43**	337.72
Other Comprehensive Income/(Loss), net of tax	**(0.47)**	(0.06)
Total Comprehensive Income	**320.96**	337.66
Profit/ (Loss) Brought forward from earlier years	**777.14**	626.20
Dividend	**(154.88)**	(154.88)
Dividend Distribution Tax	**(31.84)**	(31.84)
General Reserve	**-**	-
Profit/ Loss Carried Over	**911.38**	777.14

Performance

During the Financial Year under review, the Company's Total Revenue was ₹ 1005.42 million as compared to ₹ 1,071.29 million in the previous year. This represents a decrease of 6.15% as compared to the previous year. The Profit for the year before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was ₹ 436.39 million as compared to ₹ 496.38 million in the previous year, a decrease of 12.08%. The Profit after tax was ₹ 321.43 million as compared to ₹ 337.72 million, a decrease of 4.82%. Total Comprehensive Income was ₹ 320.96 million as compared to ₹ 337.66 million in the previous year, a decrease of 4.95%. The Revenue and Profitability would have been higher but for the outbreak of the Covid-19 pandemic in the 4th quarter of the Financial Year.

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

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

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

Renovation of the Hotel

The Board of Directors have approved renovation of the hotel, *The Oberoi Amarvilās*, Agra in two phases. Under Phase-I of renovation, 53 guest rooms were refurbished between 11th April 2019 and 1st October 2019. All the 53 guest rooms have since been put into operation. The all-day dining restaurant Bellevue and the main kitchen were also renovated and are in operation since 10th December 2019.

Due to the outbreak of Covid-19 and lockdown restrictions imposed in March 2020, Phase II of the renovation of the Hotel which was planned to be undertaken between 15th April 2020 and 15th October 2020 is rescheduled to commence post relaxation in lockdown restrictions, with a target of completion by 15th December 2020. During this phase, forty nine guest rooms, back of the house areas, plant room, Indian restaurant show kitchen and restaurant furniture refurbishment are planned for renovation. Execution of the work, or part thereof is subject to the circumstances that emerge once the lockdown is lifted.

Dividend

In view of the Renovation of the Hotel and also due the prolonged lockdown and consequent travel restrictions to avoid spread of Covid-19 pandemic imposed by the Government of India as well other countries globally almost all business segments i.e. Corporate, Leisure, MICE and Direct business were severely impacted. In these unforeseen and uncertain times, it is difficult to predict when business conditions will normalise. Therefore, in order to conserve cash and ensure liquidity for the operations for the Financial Year 2020-21, the Board of Directors decided not to recommend any dividend to the shareholders for the Financial Year 2019-20.

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. Manish Goyal (DIN: 00059182) was appointed as the Managing Director of the Company for a period of 5 (five) years with effect from 17th May 2019, without remuneration. Mr. Manav Goyal (DIN: 00066861) was appointed as a Director, liable to retire by rotation, by the shareholders at the Annual General Meeting held on 14th August 2019.

Mr. Rajkumar Kataria (DIN: 01960956) and Mr. Sandeep Kumar Barasia, (DIN: 01432123) Independent Directors, were appointed by the shareholders for a period of 5 years at the Extraordinary General Meetings of the Company held on 25th February 2015 (Mr. Rajkumar Kataria) and 24th November 2015 (Mr. Sandeep Kumar Barasia) respectively when the law mandated that the Company should have at least two Independent Directors. In the year 2017, the requirement for mandatory appointment of Independent Directors were dispensed with for Joint Venture Companies. However, both the Independent Directors were requested to continue to complete their tenure. Mr. Rajkumar Kataria's tenure ended on 25th February 2020. The Board of Directors, on 31st March 2020, appointed Mr. Rajkumar Kataria as an Additional Director on the Board, liable to retire by rotation.

During the year, in accordance with listing regulations applicable to the holding company, EIH Limited, the Company was required to appoint an Independent Director of EIH Limited as a Director on the Board of the Company as the Company's income exceeded 20% of the consolidated income of EIH Ltd in the previous Financial Year. Consequently, Company has become an "Unlisted material subsidiary" of EIH Limited. Accordingly, Dr. Chhavi Rajawat (DIN: 06752959), Independent Director of EIH Limited, was appointed as an Additional Director on the Board on 25th October 2019, liable to retire by rotation.

In accordance with Section 161 of the Companies Act 2013, both the Additional Directors, Mr. Rajkumar Kataria and Dr. Chhavi Rajawat will hold office up to the forthcoming Annual General Meeting of the Company when they will be appointed as regular directors. The Directors recommend appointment of Mr. Rajkumar Kataria and Dr. Chhavi Rajawat as regular directors on the Board, liable to retire by rotation.

Mr. Manish Goyal (DIN: 00059182) and Mr. Tej Kumar Sibal (DIN: 00038992) 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. Manish Goyal and Mr. Tej Kumar Sibal.

Board Meeting

During the year, four Board Meetings were held on 17th May 2019, 6th August 2019, 25th October 2019 and 15th January 2020 respectively. Attendance of the Directors in the meeting is as under:

Name of the Director	No. of Meetings attended
Mr. Prithvi Raj Singh Oberoi	2
Mr. Shivy Bhasin	3
Mr. Bharat Bhushan Goyal#	0
Mr. Tej Kumar Sibal	4
Mr. Manish Goyal	4
Mr. Vikramjit Singh Oberoi	3
Mr. Arjun Singh Oberoi	1
Mr. Rajkumar Kataria	3(2)
Mr. Sandeep Kumar Barasia	2
Mr. Manav Goyal*	3
Dr. Chhavi Rajawat**	2

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

ceased to be a Director w.e.f 07.04.2019

*appointed as a director w.e.f 17.05.2019

**appointed as a director w.e.f 25.10.2019

Audit Committee/Nomination and Remuneration Committee

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

Independent Directors and their Meeting

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

As the Company is not required to appoint Independent Directors, in view of the aforesaid amendment in the Act and Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, with effect from 5th July 2017, the requirement of holding at least one meeting of the Independent Directors in a year pursuant to Schedule IV 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. During the year, CSR Policy was amended to include "Disaster management, including relief, rehabilitation and reconstruction activities" as the new CSR activity. 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 2019-20 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 6th August 2019 and on 15th January 2020. Mr. Vikramjit Singh Oberoi, Chairperson, Mr. Manish Goyal and Mr. Rajkumar Kataria attended both the meetings. At the request of Mr. Arjun Singh Oberoi, leave of absence was granted to him for both the meetings.

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 selected 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. EIH Ltd has in place a comprehensive Risk Management policy, procedure and Risk Committee which is being followed by the Company's hotel, *The Oberoi Amarvilas* and the Company. The risk, if any, on the Company and the Company's hotel is monitored periodically and reported to the Board.

Energy Conservation Measures

During the year, focused Energy Conservation efforts continued during the year. Measures taken include replacement of conventional lamps with energy efficient LED lamps with smart controls, improving waste heat recovery and carrying out over hauling works for heat exchangers. Conservation measures in form of tight operational control of lighting and other equipment, regulation of air conditioning set points according to ambient temperatures, taking guest floors out of order during low occupancy, optimization of laundry and boiler operation were continued. Energy audit of plant and machinery along with thermography of electrical panels were carried out for identifying additional measures of saving energy.

Operational measures include setting of benchmarks with respect to the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring & performance evaluation of plant and machinery by conducting regular self-audit and up gradation of plant room equipment. With various energy conservation measures taken in Financial Year 2019-20, we were able to reduce our overall energy consumption by about 7 lakh kWh which resulted in a reduction of our carbon dioxide emissions by about 5 lakh kg in comparison to the last financial year.

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

Foreign Exchange Earnings and outgo

Foreign Exchange earnings during the year amounted to ₹ 397.83 million as compared to ₹ 397.82 million in the previous year. The outflow of foreign exchange during the year was ₹ 59.13 million as compared to ₹ 37.64 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 Report does not contain any observation, qualification, or adverse remark for the Board to comment.

Cost Records

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

Significant and Material Orders, if any

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

Prevention of Sexual Harassment at Work Place

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

Related Party Transactions

The contracts, arrangements or transactions with related parties are in the ordinary course of business and are at arm's length. There are no material contracts, arrangements 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**. The Annual Return of the Company is placed on the holding Company EIH Ltd website, www.eihltd.com

Loans, Guarantees or investments

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

Deposits

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

Secretarial Audit

During the year, in accordance with listing regulations applicable to the holding Company, EIH Limited, the Company has become an "unlisted material subsidiary" of EIH Limited. Therefore, Secretarial Audit of the records of the Company was required to be conducted by a Practising Company Secretary under the listing regulations. Accordingly, the Secretarial Audit of the records of the Company was conducted by a Practicing Company Secretary. The report submitted by the Practicing Company Secretary does not contain any qualification, reservation or adverse remark. The report is **annexed** and forms part of this report.

Internal Audit and Vigil Mechanism

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

Subsidiaries, Associates and Joint Ventures

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

Director/KMP Remuneration

Directors of the Company are not paid any remuneration except sitting fee for each meeting of the Board or committee thereof. Mr. Manish Goyal, Managing Director, has not drawn any remuneration from the Company. The Key Managerial Personnel Mr. Kallol Kundu, Chief Financial Officer and Mr. S.N. Sridhar, Company Secretary does 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 2019-20 was ₹ 1.32 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 Amarvilās during the last two years are as under:

The Oberoi Amarvilās, Agra, Uttar Pradesh, India	Top 5 India Hotel Resorts - (Ranked 4th) Top 10 Hotels for Romance - India (Ranked 1st) 5 Best Resort Hotels in India (Ranked 1st)	*Travel + Leisure*, USA World's Best Awards 2019 Trip Advisor Travelers' Choice Awards 2019 *Travel + Leisure*, USA World's Best Awards, Readers' Survey 2018

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: Mumbai	**VIKRAMJIT SINGH OBEROI**	**MANISH GOYAL**
Date: 21st May 2020	*Director*	*Managing 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 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 policy also focusses on sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga and also for contribution to the Prime Minister's National Relief Fund. During the year, the CSR Policy was amended to include "Disaster management, including relief, rehabilitation and reconstruction activities" as the new CSR activity.

   The Board of Directors at the Board meeting held on 6th August 2019, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 9.05 million for the Financial Year 2019-20. This amount included 2% of average net profit of the Company for the last three Financial Years. During the Financial Year, the amount of ₹ 9.05 million was spent on the following:

   a) Primary healthcare services for India's elderly population (60+ years) who are poor and needy through Help Age India;
   b) Disaster Management including relief and rehabilitation by contributing to Orissa Flood Relief Fund;
   c) Promoting education for the underprivileged children by developing schools in and around Agra through Save the Children Foundation.

   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**

   ₹ 452.69 million

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

   ₹ 9.05 million

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

   a) Total Amount to be spent for the Financial year : ₹ 9.05 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	Help Age India
2	Swachh Bharat Abhiyan	-	Agra, Uttar Pradesh	0.30	-	-	-
3	Promoting education for the underprivileged children	Urban	Agra, Uttar Pradesh	5.15	5.45	5.45	Save the Children Foundation
4.	Contribution to Orissa Relief Fund	Rural	-	0.10	0.10	0.10	Direct
			TOTAL	**9.05**	**9.05**	**9.05**	

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 ₹ 9.05 Million in the Financial Year 2019-20.

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

MANISH GOYAL
Managing Director

Annexure- II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As at end of Financial Year on 31.03.2020

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.	Investor Service Division c/o EIH Limited 7 Shamnath Marg Delhi -110054

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	-	8,260,010	8,260,010	40.00	227,514	8,032,496	8,260,010	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**	**227,514**	**20,422,486**	**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)	**-**	**20,650,000**	**20,650,000**	**100.00**	**227,514**	**20,422,486**	**20,650,000**	**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	7.55	-	-
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 S.N. Sridhar	1	-	-	1	-	-	-
12	EIH Limited jointly with Biswajit Mitra	2	-	-	2	-	-	-
13	EIH Limited jointly with S.S. Mondal	1	-	-	1	-	-	-
14	EIH Limited jointly with Sumit Nag	1	-	-	1	-	-	-
15	EIH Limited jointly with S. Dutta	1	-	-	1	-	-	-
16	Shikha Madan	56,881	0.28	-	56,881	0.28	-	-
17	Ankush Malhotra	56,881	0.28	-	56,881	0.28	-	-
18	EIH Limited jointly with Tejasvi Dixit	1	-	-	1	-	-	-
19	EIH Limited jointly with Bishan Kumar Seal	1	-	-	1	-	-	-
20	EIH Limited jointly with Rajesh Shroff	1	-	-	1	-	-	-
21	EIH Limited jointly with Indrani Ray	1	-	-	1	-	-	-

(iii) 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
1	At the beginning of the year				
2	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			
3	At the end of the year				

(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
1	At the beginning of the year	**1**	**-**		
2	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			
3	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

SN	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
1	At the beginning of the year	15,60,108	7.56		
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			15,60,108	7.56

SN	MANISH GOYAL MANAGING 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)

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

Note: *Outstanding on account of finance lease obligations, not being loans/deposits, are not included.*

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. Manish 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	0.24	0.24
	Total (A)	0.24	0.24
	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. Rajkumar Kataria	
1	Independent Directors			
	Fee for attending board committee meetings	0.08	0.20	0.28
	Commission			
	Others, please specify			
	Total (1)	0.08	0.20	0.28

2	Other Non-Executive Directors	Mr. Prithviraj Singh Oberoi	Mr. Shivy Bhasin	Mr. Vikramjit Singh Oberoi	Mr. Arjun Singh Oberoi	Mr. Manav Goyal	Mr. Tej Kumar Sibal	Dr Chhavi Rajawat	Total Amount (₹ in Million)
	Fee for attending board committee meetings	0.08	0.12	0.20	0.04	0.12	0.16	0.08	0.80
	Commission								
	Others, please specify								
	Total (2)								**0.80**
	Total (B)=(1+2)								**1.08**
	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: Mumbai
Date: 21st May 2020

VIKRAMJIT SINGH OBEROI
Director

MANISH GOYAL
Managing Director

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

[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, 2020 ("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, 2020, according to the provisions of:

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

II. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder, to the extent applicable in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

III. Secretarial Standards issued by the Institute of Company Secretaries of India.

IV. Other significant laws specifically applicable to the Company, including:
   a) Tourism Policy of Government of India and Classification of Hotels.
   b) Food Safety and Standards Act, 2006 and Rules made thereunder.
   c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder.
   d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder.
   e) Phonographic and Performance License.
   f) Indian Explosives Act, 1884 and Rules made thereunder.
   g) The Apprentices Act, 1961 and Rules made thereunder.
   h) India Boiler Act, 1923

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Mr. Bharat Bhushan Goyal, Managing Director of the Company passed away on April 07, 2019. Thereafter, the Board in its meeting held on May 17, 2019 appointed Mr. Manish Goyal, Director as the 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 thereunder. In the same Board Meeting, Mr. Manav Goyal was appointed as a Director in the casual vacancy caused due to the demise of Mr. Bharat Bhushan Goyal. These appointments were subsequently approved by the shareholders in their meeting held on August 14, 2019.

3. 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 Kumar Kataria and Mr. Sandeep Kumar Barasia who were appointed in the year 2015 as Independent Directors for a consecutive period of five (5) years continued on the Board as Independent Directors. The tenure of Mr. Raj Kumar Kataria as an Independent Director ended on February 25, 2020. However, he was inducted as an Additional Director by the Board, effective March 31, 2020.

4. The Board of Directors in its meeting held on October 25, 2019 appointed Dr. Chhavi Rajawat, one of the Independent Directors of EIH Limited (“EIHL”), the holding Company, as an Additional Director on the Board of the Company in compliance with Regulation 16 read with Regulation 24 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as applicable on EIHL.

5. During the financial year, adequate notice along with agenda and detailed notes on agenda was given to all directors for the meetings of the Board and its Committee(s) and in case of shorter notice, due compliance of relevant provisions of the Act and Secretarial Standards in this regard was made. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

7. The Shareholders of the Company in its Annual General meeting held on August 14, 2019 approved payment of dividend @ Rs. 7.50 per share.

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

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

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

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

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

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

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

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800
(UDIN: 20093474AAAAAS4775)

Date: May 21, 2020
Place: New Delhi

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

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

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

Our Secretarial Audit Report of even date for the financial year ended March 31, 2020 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

   This audit was completed during the period of lockdown imposed by the Government due to the Covid-19 pandemic. During these extraordinary times, we had to make an exception and place reliance solely on scanned copy of certain documents and records, as provided to us by the Company electronically for the purpose of this audit, as we could not verify physical copies of the said documents and records.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the Management. Our responsibility is to express an opinion based on examination of systems and procedures being followed by the Company.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800
(UDIN: 20093474AAAAAS4775)

Date: May 21, 2020
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mumtaz Hotels Limited

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of **MUMTAZ HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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

Information Other than the Financial Statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of written representations received from the directors of the Company as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

       In our opinion and to the best of our information and according to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, the provisions of Section 197 of the Act relating to remuneration to directors are not applicable.

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

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

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 46 to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016" / "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)
(UDIN: 20093474AAAAAS4775)

Place: Gurugram
Date: May 21, 2020

"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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 20093474AAAAAS4775)

Place: Gurugram
Date: May 21, 2020

"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 and no material discrepancies were noticed on such verification.

c. Based on the examination of the registered sale deed and conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements.

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

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

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

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

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

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

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c. Details of dues of Income-Tax, Expenditure Tax and Sales Tax which have not been deposited as on 31 March, 2020 on account of disputes are given below:

Name of statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates[(1)]**	**Amount unpaid (₹ in million)**
Income Tax Act, 1961	Income-Tax	Assessing Officer	2007-2008 and 2009-2010	0.31
Income Tax Act, 1961	Income-Tax	Commissioner of Income Tax (Appeals)	2011-2012 to 2014-2015 and 2016-17	1.65*
Sub Total of Income-Tax				1.96*
Expenditure Tax Act, 1987	Expenditure Tax	Joint Commissioner of Expenditure Tax	2002-03	0.10
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	High Court	2007-08	-**

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

* Net of ₹ 15.43 million paid under protest.

** Net of ₹ 0.19 million paid under protest.

There are no dues of Customs Duty, Excise Duty, Value Added Tax, Service Tax and Goods and Services Tax which have not been deposited as on 31 March, 2020 on account of disputes.

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

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

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/ provided any managerial remuneration during the year in accordance with the provisions of Section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of CARO 2016 is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

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

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 20093474AAAAAS4775)

Place: Gurugram
Date: May 21, 2020

Balance sheet
as at 31st March, 2020

	Note	As at March 31, 2020	Rupees Million As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**860.74**	677.72
(b) Right-of-use-asset	4	**0.43**	-
(c) Capital work-in-progress		**58.89**	4.14
(d) Intangible assets	5	**1.18**	1.60
(e) Financial assets			
- Other financial assets	6	**10.44**	10.61
(f) Tax assets (net)	7	**49.46**	42.64
(g) Other non-current assets	8	**23.83**	30.65
Total non-current assets		**1,004.97**	767.36
Current assets			
(a) Inventories	9	**30.16**	37.30
(b) Financial assets			
(i) Investments	10	**384.47**	481.99
(ii) Trade receivables	11	**106.63**	132.43
(iii) Cash and cash equivalents	12	**50.03**	35.67
(iv) Other bank balances	13	**154.15**	154.96
(v) Other financial assets	14	**0.92**	0.83
(c) Other current assets	15	**62.30**	30.30
Total current assets		**788.66**	873.48
Total assets		**1,793.63**	1,640.84
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	**206.50**	206.50
(b) Other equity	17	**1,290.38**	1,156.14
Total Equity		**1,496.88**	1,362.64
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**-**	0.53
(ii) Lease liabilities		**0.26**	-
(iii) Other financial liabilities	19	**0.15**	0.14
(b) Provisions	20	**5.38**	4.26
(c) Deferred tax liabilities (net)	21	**95.92**	114.54
(d) Other non-current liabilities	22	**0.04**	0.05
Total non-current liabilities		**101.75**	119.52
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	36	**3.35**	0.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	37	**122.43**	116.91
(ii) Lease liabilities		**0.27**	-
(iii) Other financial liabilities	23	**50.19**	4.29
(b) Provisions	20	**0.34**	0.03
(c) Other current liabilities	24	**18.42**	37.27
Total current liabilities		**195.00**	158.68
Total equity and liabilities		**1,793.63**	1,640.84

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)

Place : Gurugram
Date : May 21, 2020
(UDIN: 20093474AAAAAS4775)

For and on behalf of the Board

Vikramjit Singh Oberoi
Director
(DIN No: 00052014)

Manish Goyal
Managing Director
(DIN No: 00059182)

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Place : Mumbai
Date : May 21, 2020

Statement of Profit and Loss for the year ended 31st March, 2020

Rupees Million

	Note	**Year ended March 31, 2020**	Year ended March 31, 2019
Income			
Revenue from operations	25	**956.91**	1,022.89
Other income	26	**48.51**	48.40
Total income		**1,005.42**	1,071.29
Expenses			
Consumption of provisions, wines & others	27	**58.55**	61.84
Employee benefits expense	28	**112.42**	111.18
Finance costs	29	**0.18**	0.32
Depreciation and amortisation expense	30	**28.12**	22.34
Other expenses	31	**398.06**	401.89
Total expenses		**597.33**	597.57
Profit before tax		**408.09**	473.72
Tax expense	32		
Income tax		**105.12**	135.47
Deferred tax		**(18.46)**	0.53
Profit for the year		**321.43**	337.72
Other Comprehensive Income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**(0.63)**	(0.08)
Tax relating to this item		**0.16**	0.02
Total other comprehensive income/(loss) for the year, net of tax		**(0.47)**	(0.06)
Total comprehensive income for the year		**320.96**	337.66
Earnings per equity share (in Rs.) - Face Value Rs. 10	43		
(1) Basic		**15.57**	16.35
(2) Diluted		**15.57**	16.35

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Alka Chadha
Partner
(Membership No. 93474)

Place : Gurugram
Date : May 21, 2020
(UDIN: 20093474AAAAAS4775)

For and on behalf of the Board

Vikramjit Singh Oberoi
Director
(DIN No: 00052014)

Manish Goyal
Managing Director
(DIN No: 00059182)

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Place : Mumbai
Date : May 21, 2020

Statement of Cash Flows for the Year ended March 31, 2020

Rupees Million

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	**408.09**	473.72
Adjustments for		
Depreciation and amortisation expense	**28.12**	22.34
Allowance for trade receivables with significant increase in credit risk	**-**	0.21
Loss on sale / discard of property, plant and equipment (Net)	**30.55**	2.72
Bad debts/ security deposit written off	**0.28**	0.06
Dividend income from financial assets measured at fair value	**(15.19)**	(19.96)
Interest income on financial assets carried at amortised cost	**(12.47)**	(6.45)
Provisions and liabilities no longer required, written back	**(0.14)**	(0.22)
Finance costs	**0.18**	0.32
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**25.94**	(17.59)
(Increase)/decrease in inventories	**7.14**	(6.57)
Increase/(decrease) in trade payables	**8.69**	10.78
(Increase)/decrease in other financial assets	**(0.13)**	(3.51)
(Increase)/decrease in other non-current assets	**0.79**	(14.86)
(Increase)/decrease in other current assets	**(32.00)**	12.03
Increase/(decrease) in provisions	**0.80**	0.05
Increase/(decrease) in other financial liabilities	**0.07**	0.34
Increase/(decrease) in other non-current liabilities	**(0.01)**	(0.01)
Increase/(decrease) in other current liabilities	**(18.85)**	(3.32)
Cash generated from operations	**431.86**	450.08
Income taxes paid (net of refund)	**(111.94)**	(137.82)
Net cash inflow from operating activities	**319.92**	312.26
Cash flows from investing activities		
Payments for property, plant and equipment	**(246.86)**	(45.25)
Proceeds from sale of property, plant and equipment	**2.71**	0.73
Investment in mutual funds	**(239.79)**	(384.80)
Proceeds from sale of investment in mutual funds	**352.50**	425.00
Other bank balances - deposits matured/(placed)	**0.81**	(147.61)
Interest received	**12.40**	6.42
Net cash outflow from investing activities	**(118.23)**	(145.51)

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

	Year ended March 31, 2020	Year ended March 31, 2019
		Rupees Million
Cash flows from financing activities		
Repayment of borrowings	**-**	(0.38)
Repayment of lease liabilities	**(0.43)**	-
Interest paid	**(0.18)**	(0.32)
Dividends paid	**(154.88)**	(154.88)
Dividend distribution tax	**(31.84)**	(31.84)
Net cash outflow from financing activities	**(187.33)**	(187.42)
Net increase/(decrease) in cash and cash equivalents	**14.36**	(20.67)
Cash and cash equivalents at the beginning of the year	**35.67**	56.34
Cash and cash equivalents at the end of the year	**50.03**	35.67

Note :

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

Place : Gurugram
Date : May 21, 2020
(UDIN: 20093474AAAAAS4775)

For and on behalf of the Board

Vikramjit Singh Oberoi
Director
(DIN No: 00052014)

Manish Goyal
Managing Director
(DIN No: 00059182)

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Place : Mumbai
Date : May 21, 2020

Statement of changes in Equity for the year ended March 31, 2020

Rupees Million

A. Equity share capital	
Balance as at April 1, 2018	**206.50**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**206.50**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**206.50**

B. Other equity **Rupees Million**

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

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)

Place : Gurugram
Date : May 21, 2020
(UDIN: 20093474AAAAAS4775)

For and on behalf of the Board

Vikramjit Singh Oberoi
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(DIN No: 00052014)

Manish Goyal
Managing Director
(DIN No: 00059182)

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

Place : Mumbai
Date : May 21, 2020

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 on 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 is met throughout the stay of guest in the hotel or on rendering of services and sale of goods.

(iii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.

(iv) Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.

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

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.

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

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

e) Deferred Tax

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

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

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

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

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

f) Leases

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

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

The Company as a lessee:

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

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

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

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

These lease payments would comprise:

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

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

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

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

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

g) Impairment of assets

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

h) Cash and cash equivalents

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

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

(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.

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.

Notes to Financial Statements – *Contd.*

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

s) Dividends

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

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

– by the weighted average number of equity shares outstanding during the financial year,

(ii) Diluted earnings per share

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

– the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

– the weighted average number of equity shares including additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares happened.

u) Government grants / Incentives

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

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

v) Rounding of amounts

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

2
NEW STANDARDS/AMENDMENTS THAT ARE ADOPTED:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the existing standards. There is no such new notification which would be applicable from April 1, 2020.

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.

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 31.03.2020, the balance useful life of the hotel building of the Company was 55 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.

4
PROPERTY, PLANT AND EQUIPMENT

Rupees Million

	Gross carrying amount				Accumulated depreciation				
	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**	**Balance as at March 31, 2019**	**Carrying value 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 (i) contd.
PROPERTY, PLANT AND EQUIPMENT

Rupees Million

	Gross carrying amount						Accumulated depreciation						
	Balance as at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 41)	Adjusted balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 41)	Adjusted balance as at April 1, 2019	For the year	Less: Sales/ Adjustments	Balance as at March 31, 2020	Carrying value as at March 31, 2020
Freehold Land	57.05	-	57.05	-	-	57.05	-	-	-	-	-	-	57.05
Buildings	556.57	-	556.57	131.02	26.38	661.21	34.91	-	34.91	9.77	2.07	42.61	618.60
Plant and equipment	122.26	-	122.26	95.30	11.63	205.93	35.00	-	35.00	12.13	2.74	44.39	161.54
Furniture and fittings	4.46	-	4.46	17.93	-	22.39	1.45	-	1.45	1.36	-	2.81	19.58
Vehicles													
- Operating lease	20.27	-	20.27	-	-	20.27	14.09	-	14.09	3.53	-	17.62	2.65
- Others	3.19	-	3.19	-	0.25	2.94	1.64	-	1.64	0.45	0.19	1.90	1.04
Leased vehicles	1.64	(1.64)	-	-	-	-	0.78	(0.78)	-	-	-	-	-
Office equipment	0.20	-	0.20	0.16	-	0.36	0.05	-	0.05	0.03	-	0.08	0.28
Total	**765.64**	**(1.64)**	**764.00**	**244.41**	**38.26**	**970.15**	**87.92**	**(0.78)**	**87.14**	**27.27**	**5.00**	**109.41**	**860.74**

Right-of-use asset

Rupees Million

	Gross carrying amount						Accumulated amortisation						
	Balance as at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 41)	Adjusted balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	As at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 41)	Adjusted balance as at April 1, 2019	For the year	Less: Sales/ Adjustments	As at March 31, 2020	Carrying value as at March 31, 2020
Vehicles	-	1.64	1.64	-	-	1.64	-	0.78	0.78	0.43	-	1.21	0.43

4 (ii)
CONTRACTUAL OBLIGATIONS

Refer to Note 40 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, 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	Balance 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**

	Gross carrying amount				Accumulated amortisation				Carrying value as at March 31, 2020
	Balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	Balance as at April 1, 2019	For the year	Less: Sales/ Adjust-ments	Balance as at March 31, 2020	
Computer software	2.19	-	-	2.19	0.59	0.42	-	1.01	1.18
Total	**2.19**	**-**	**-**	**2.19**	**0.59**	**0.42**	**-**	**1.01**	**1.18**

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

Rupees Million

	As at March 31, 2020	As at March 31, 2019
6		
NON-CURRENT FINANCIAL ASSETS		
Land compensation claim recoverable *	**5.19**	5.19
Security deposits	**5.25**	5.42
Total non-current financial assets	**10.44**	10.61

* 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	**42.64**	40.29
Less: Tax payable for the year	**(104.99)**	(135.62)
Add: Taxes paid (net of refund)	**111.94**	137.82
Add/(Less): Adjustment for earlier periods	**(0.13)**	0.15
Total tax assets	**49.46**	42.64

Notes to Financial Statements – *Contd.*

	As at March 31, 2020	Rupees Million As at March 31, 2019
8		
OTHER NON-CURRENT ASSETS		
Capital advances	**6.98**	13.01
Prepaid expenses	**0.32**	0.01
Services exports incentive	**13.90**	14.97
Other advances*	**2.63**	2.66
Total other non-current assets	**23.83**	30.65
* Includes amounts paid under protest	**2.47**	2.47

	As at March 31, 2020	As at March 31, 2019
9		
INVENTORIES *		
Provision, wines and others	**9.72**	11.57
Stores & operating supplies	**20.44**	25.73
Total inventories	**30.16**	37.30

* 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. 58.55 million (for the year ended March 31, 2019 : Rs. 61.84 million).

	As at March 31, 2020	As at March 31, 2019
10		
INVESTMENTS		
Investment in Mutual funds (Quoted)		
2,404,217.230 (2019 - 2,500,168.776) units of Aditya Birla Sun Life Liquid Fund - Daily Dividend - Direct Plan	**240.89**	250.62
27,722.584 (2019 - 26,618.248) units of Nippon India Liquid Fund- Daily Dividend option (formerly Reliance Liquid Fund - Daily Dividend Reinvestment)	**42.38**	40.71
66,200.060 (2019 - 124,670.735) units of Nippon India Liquid Fund- Direct plan Daily Dividend option (formerly Reliance Liquid Fund - Direct Daily Dividend Reinvestment)	**101.20**	190.66
Total investments	**384.47**	481.99

	As at March 31, 2020	As at March 31, 2019
11		
TRADE RECEIVABLES *		
Unsecured, considered good		
Receivable from related parties	**1.60**	0.25
Receivable from other than related parties	**105.03**	132.18
	106.63	132.43
Unsecured, which have significant increase in credit risk		
Receivable from other than related parties	**0.07**	0.21
Less: Allowance for doubtful trade receivables	**(0.07)**	(0.21)
	-	-
Total trade receivables	**106.63**	132.43

* Read with note 34

Notes to Financial Statements – *Contd.*

Rupees Million

	As at March 31, 2020	As at March 31, 2019
12		
CASH AND CASH EQUIVALENTS		
Balances with banks		
- Current accounts	**6.98**	14.88
Cash in hand	**0.42**	0.83
Cheques in hand	**-**	0.88
Fixed deposits with original maturity of less than three months	**42.63**	19.08
Total cash and cash equivalents	**50.03**	35.67

	As at March 31, 2020	As at March 31, 2019
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	**154.15**	154.96
Total other bank balances	**154.15**	154.96

	As at March 31, 2020	As at March 31, 2019
14		
OTHER CURRENT FINANCIAL ASSETS		
Interest accrued on deposits	**0.23**	0.16
Security deposits	**0.68**	0.67
Other receivables	**0.01**	-
Total other current financial assets	**0.92**	0.83

	As at March 31, 2020	As at March 31, 2019
15		
OTHER CURRENT ASSETS		
Prepaid expenses	**3.80**	6.89
Services export incentive	**34.54**	22.18
Balance with government authorities	**19.25**	-
Other advances	**4.71**	1.23
Total other current assets	**62.30**	30.30

Notes to Financial Statements – *Contd.*

	As at March 31, 2020	As at March 31, 2019
		Rupees Million
16 EQUITY SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of Rs. 10 each (2019 - 25,000,000)	**250.00**	250.00
	250.00	250.00
Issued, Subscribed & Fully Paid		
20,650,000 Equity Shares of Rs. 10 each (2019 - 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) (Rs. Million)
As at April 1, 2018	**20,650,000**	**206.50**
Add/Less: Movement during the year	**-**	**-**
As at March 31, 2019	**20,650,000**	**206.50**
Add/Less: Movement during the year	**-**	**-**
As at March 31, 2020	**20,650,000**	**206.50**

(ii) Rights and preferences attached to equity shares :

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

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

	As at March 31, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
	Number of Shares	
EIH Limited	**12,390,000**	12,390,000

Notes to Financial Statements — *Contd.*

Rupees Million

		As at March 31, 2020	As at March 31, 2019
17			
OTHER EQUITY			
Reserve and surplus			
Securities premium		**293.50**	293.50
General reserve		**85.50**	85.50
Retained earnings (surplus)		**911.38**	777.14
Total other equity		**1,290.38**	1,156.14
(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	**777.14**	626.20
	Add: Profit during the year as per Statement of Profit and Loss	**321.43**	337.72
	Less: Final dividend	**(154.88)**	(154.88)
	Dividend distribution tax	**(31.84)**	(31.84)
	Other comprehensive income/(loss) recognised directly in retained earnings - Remeasurements of post-employment benefit obligation, net of tax	**(0.47)**	(0.06)
	Closing balance	**911.38**	777.14

Nature and purpose of reserves

Securities premium

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

	As at March 31, 2020	As at March 31, 2019
18		
NON-CURRENT BORROWINGS		
Secured		
Maturities of finance lease obligations - Vehicles* (Refer note 41)	**-**	0.53
Total	**-**	0.53

* 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.

	As at March 31, 2020	As at March 31, 2019
19		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Security deposits	**0.15**	0.14
Total other non-current financial liabilities	**0.15**	0.14

Notes to Financial Statements — *Contd.*

20
PROVISIONS

(Rs. in Million)

Employee benefit obligations	As at 31 March, 2020			As at 31 March, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Leave encashment - Unfunded						
Present value of obligation	**0.26**	**4.70**	**4.96**	0.02	3.39	3.41
Gratuity - Unfunded						
Present value of obligation	**0.08**	**0.68**	**0.76**	0.01	0.87	0.88
Total employee benefit obligations	**0.34**	**5.38**	**5.72**	0.03	4.26	4.29

(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 Rs. 4.55 million (for the year ended March 31, 2019 : Rs. 3.06 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:

(Rs. in Million)

	Gratuity			Leave Encashment
	Present value of obligation	**Fair value of plan assets**	**Net amount**	**Present value of obligation**
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/ (Loss)	**(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**
April 1, 2019	**0.88**	**-**	**0.88**	**3.41**
Current service cost	0.17	-	0.17	0.98
Interest expense/(income)	0.06	-	0.06	0.24
Total amount recognised in Statement of Profit and Loss	**0.23**	**-**	**0.23**	**1.22**
Remeasurements				
Experience (gains)/losses	(0.21)	-	(0.21)	(0.29)
(Gain)/loss from change in demographic assumptions	(0.13)	-	(0.13)	0.36
(Gain)/loss from change in financial assumptions	0.08	-	0.08	0.82
Total amount recognised in Other Comprehensive Income/ (Loss)	**(0.26)**	**-**	**(0.26)**	**0.89**
Employer contributions	-	-	-	-
Benefit payments	(0.09)	-	(0.09)	(0.56)
March 31, 2020	**0.76**	**-**	**0.76**	**4.96**

Notes to Financial Statements — *Contd.*

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2020	March 31, 2019
Discount rate	**6.50%**	7.69%
Salary growth rate	**5% ***	5.00%

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

Mortality	Indian Assured Lives Mortality (2006-08) ultimate
March 31, 2019	
Withdrawal rate - Up to 40 years	4.2
Withdrawal rate - 40 - 54 years	1.8
Withdrawal rate - 55 - 57 years	2.2

	Indian Assured Lives Mortality (2012-14) ultimate	
March 31, 2020	Staff	Executive
Withdrawal rate - Up to 30 years	30%	20%
Withdrawal rate - 31 - 54 years	5%	5%
Withdrawal rate - 55 - 57 years	5%	5%

(v) Sensitivity analysis

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

(Rs. in Million)

	Change in assumption		**Impact on defined benefit obligation**			
			Increase by 1%		**Decrease by 1%**	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Gratuity						
Discount rate	1%	1%	(0.07)	(0.17)	0.08	0.23
Salary growth rate	1%	1%	0.07	0.23	(0.06)	(0.18)
Leave encashment						
Discount rate	1%	1%	(0.43)	(0.46)	0.49	0.64
Salary growth rate	1%	1%	0.44	0.65	(0.40)	(0.47)

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.)

Notes to Financial Statements — *Contd.*

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 8.48 years (2019 - 26.08 years) and 9.95 years (2019- 18.75 years) for Gratuity and Leave encashment respectively.
The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

(Rs. in Million)

	Less than a year	**Between 1 - 2 years**	**Between 2 - 5 years**	**6 to 10 years**	**More than 10 years**	**Total**
March 31, 2020						
Gratuity	0.08	0.07	0.21	0.22	1.12	1.70
Leave encashment	0.26	0.29	0.91	1.86	6.65	9.97
Total	**0.34**	**0.36**	**1.12**	**2.08**	**7.77**	**11.67**
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**

Notes to Financial Statements — *Contd.*

	As at March 31, 2020	As at March 31, 2019
		Rupees Million
21 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities on account of :		
Property, plant and equipment, right-of-use asset and intangible assets	**99.32**	117.20
Total deferred tax liabilities (A)	**99.32**	117.20
Deferred tax assets on account of :		
Accrued expenses deductible on payment	**1.48**	1.26
Allowance for doubtful trade receivables	**0.02**	0.06
Other temporary differences	**1.90**	1.34
Total deferred tax assets (B)	**3.40**	2.66
Deferred tax liabilities (Net - A-B)	**95.92**	114.54

Movement in deferred tax liabilities

Rupees Million

	Property, plant and equipment, right-of-use asset and intangible assets	Security deposits liability	Total
As at April 1, 2018	**116.30**	**-**	**116.30**
Charged/(Credited):			
- to profit and loss	0.90	-	0.90
As at March 31, 2019	**117.20**	**-**	**117.20**
Charged/(Credited):			-
- to profit and loss	(17.88)	-	(17.88)
As at March 31, 2020	**99.32**	**-**	**99.32**

Movement in deferred tax assets

	Accrued expenses deductible on payment	Allowance for doubtful trade receivables	Other temporary differences	Total
As at April 1, 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/ (loss)	0.02	-	-	0.02
As at March 31, 2019	**1.26**	**0.06**	**1.34**	**2.66**
(Charged)/Credited:				
- to profit and loss	0.06	(0.04)	0.56	0.58
- to other comprehensive income/ (loss)	0.16	-	-	0.16
As at March 31, 2020	**1.48**	**0.02**	**1.90**	**3.40**

Notes to Financial Statements — *Contd.*

	As at March 31, 2020	As at March 31, 2019
		Rupees Million
22		
OTHER NON-CURRENT LIABILITIES		
Advance rent	**0.04**	0.05
Total other non-current liabilities	**0.04**	0.05
23		
OTHER CURRENT FINANCIAL LIABILITIES		
Current maturities of finance lease obligations (Refer note 41)	**-**	0.43
Liability for capital expenditure	**48.17**	1.90
Security deposits	**2.02**	1.96
Total current financial liabilities	**50.19**	4.29
24		
OTHER CURRENT LIABILITIES		
Advance from customers	**12.62**	18.24
Statutory and other dues	**5.79**	19.02
Advance rent	**0.01**	0.01
Total other current liabilities	**18.42**	37.27

Notes to Financial Statements — *Contd.*

	Year ended March 31, 2020	Rupees Million Year ended March 31, 2019
25		
REVENUE FROM OPERATIONS		
Rooms	**682.16**	734.68
Food and beverages	**218.77**	222.80
Other services	**55.98**	65.41
Total revenue from operations	**956.91**	1,022.89

26		
OTHER INCOME		
Interest income on financial assets carried at amortised cost	**12.47**	6.45
Dividend income from financial assets measured at fair value	**15.19**	19.96
Income on account of services exports incentive	**17.87**	20.08
Other gains/(losses) :		
Net foreign exchange gain	**0.38**	0.03
Provisions and liabilities no longer required, written back	**0.14**	0.22
Miscellaneous income	**2.46**	1.66
Total other income	**48.51**	48.40

27		
CONSUMPTION OF PROVISIONS, WINES & OTHERS		
Opening stock	**11.57**	11.59
Add: Purchases	**56.70**	61.82
	68.27	73.41
Less: Closing stock	**9.72**	11.57
Total consumption of provisions, wines & others	**58.55**	61.84

28		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	**87.86**	88.50
Contribution to provident fund and other funds (Refer note 20)	**4.55**	3.06
Gratuity (Refer note 20)	**0.23**	0.33
Staff welfare expenses	**19.78**	19.29
Total employee benefits expense	**112.42**	111.18

29		
FINANCE COSTS		
Interest expense	**0.18**	0.32
Total finance costs for financial liabilities not recognised through FVTPL	**0.18**	0.32

Notes to Financial Statements — *Contd.*

	Year ended March 31, 2020	Rupees Million Year ended March 31, 2019
30		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	**27.27**	22.13
Depreciation of right-of-use asset	**0.43**	-
Amortisation of intangible assets	**0.42**	0.21
Total depreciation and amortisation expense	**28.12**	22.34

	Year ended March 31, 2020	Year ended March 31, 2019
31		
OTHER EXPENSES		
Power and fuel	**59.12**	63.32
Rent (Refer note 41)	**4.53**	5.01
Repairs to property, plant and equipment	**29.10**	43.92
Repairs to others	**1.38**	2.21
Insurance	**2.47**	1.96
Rates and taxes	**15.14**	12.57
Expenses on apartment and board	**11.76**	12.96
Hotel operating fees	**58.93**	63.78
Royalty	**9.58**	10.24
Advertisement, publicity and other promotional expenses	**41.89**	42.89
Commission to travel agents and others	**66.14**	74.15
Passage and travelling	**4.92**	5.05
Linen, uniform washing and laundry expenses	**0.96**	1.34
Renewals and replacements	**9.55**	10.24
Auditors' remuneration (Refer note 31 (a))	**1.75**	1.44
CSR expenses (Refer note 31 (b))	**9.05**	9.34
Expenses on contracts for service	**22.85**	22.42
Allowance for trade receivables with significant increase in credit risk	**-**	0.21
Loss on sale / discard of property, plant and equipment (Net)	**30.55**	2.72
Director's sitting fees	**1.32**	1.24
Bad debts/ security deposits written off	**0.28**	0.06
Miscellaneous expenses	**16.79**	14.82
Total other expenses	**398.06**	401.89
(a) Details of Auditors' remuneration		
As auditor:		
Audit fee	**1.30**	1.20
Review of special purpose financial information	**0.20**	-
Tax audit fee	**0.20**	0.20
Reimbursement of expenses	**0.05**	0.04
Total auditors' remuneration	**1.75**	1.44
(b) Details of CSR Expenditure		
Contribution to Helpage India	**3.50**	3.50
Contribution to Save the Children	**5.45**	-
Contribution to Kailash Sathyarthi Children Foundation	**-**	5.55
Odissa Relief Fund	**0.10**	-
Expenses for Swachh Bharat Abhiyan	**-**	0.29
Total CSR expenditure	**9.05**	9.34
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	**9.05**	9.34

Notes to Financial Statements — *Contd.*

		Rupees Million	
		Year ended March 31, 2020	Year ended March 31, 2019
32	**TAX EXPENSE**		
(a)	**Income tax**		
	Tax on profits for the year	**104.99**	135.62
	Adjustments for prior years	**0.13**	(0.15)
	Total income tax	**105.12**	135.47
(b)	**Deferred tax**		
	(Decrease) / Increase in deferred tax liabilities	**(17.88)**	0.90
	Decrease / (Increase) in deferred tax assets	**(0.74)**	(0.39)
		(18.62)	0.51
	Add: Recognised in other comprehensive income	**0.16**	0.02
	Total deferred tax expense/(benefit)	**(18.46)**	0.53
	Total tax expense	**86.66**	136.00
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit before tax expense	**408.09**	473.72
	Tax at the rate of 25.168% (F.Y. 2019-20 – 29.12%)	**102.71**	137.95
	Tax effect of amounts not deductible in calculating taxable income		
	Corporate social responsibility expenditure	**2.28**	2.72
	Expenses disallowed under the Income Tax Act, 1961	**0.93**	1.38
	Tax effect of amounts not taxable in calculating taxable income		
	Dividend income exempt from tax	**(3.82)**	(5.82)
	Tax expense related to prior periods	**0.13**	(0.15)
	Others (Tax benefit on rental income and gain on fair valuation of investment)	**(0.03)**	(0.06)
	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)
	Impact of rate change in deferred tax	**(15.54)**	-
		86.66	136.00

Notes:

(i) The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision for income tax and re-measured its deferred tax liabilities basis the rate prescribed in the said section and has taken the full effect to the Statement of Profit and Loss during the year ended March 31, 2020.

(ii) Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application of this amendment is Nil. The effect of adoption of this amendment in the current year is also Nil.

Notes to Financial Statements — *Contd.*

33
FAIR VALUE MEASUREMENTS

Financial instruments by category **Rupees Million**

	As at March 31, 2020		As at March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments	384.47	-	481.99	-
Trade receivables	-	106.63	-	132.43
Cash and cash equivalents	-	50.03	-	35.67
Other bank balances	-	154.15	-	154.96
Security deposits	-	5.93	-	6.09
Other receivables	-	5.43	-	5.35
Total financial assets	**384.47**	**322.17**	**481.99**	**334.50**
Financial liabilities				
Finance lease obligations	-	-	-	0.96
Lease liabilities	-	0.53	-	-
Security deposits	-	2.17	-	2.10
Trade payables	-	125.78	-	117.09
Capital creditors	-	48.17	-	1.90
Total financial liabilities	-	**176.65**	-	122.05

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

Rupees Million

	As at March 31, 2020	As at March 31, 2019
	Level 1	Level 1
Financial Investments at FVPL		
Investment in mutual funds (Refer Note 10)	384.47	481.99
Total financial assets	**384.47**	481.99

(ii) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, 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.*

34
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 (Rs.).

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 Rs. Million are as follows :

		Rupees Million
Currency	**Receivables**	**Payables**
March 31, 2020		
US Dollar (USD)	–	1.24
Net exposure to foreign currency risk	–	1.24
March 31, 2019		
US Dollar (USD)	–	0.92
Great Britain Pound (GBP)	–	0.53
Net exposure to foreign currency risk	–	1.45

Sensitivity

If Rs. 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:

		Rupees Million
	Impact on profit	
	March 31, 2020	March 31, 2019
USD sensitivity		
INR/USD Increases by 5% (March 31, 2019 - 5%)	**(0.06)**	(0.05)
INR/USD Decreases by 5% (March 31, 2019 - 5%)	**0.06**	0.05
GBP sensitivity		
INR/GBP Increases by 5% (March 31, 2019 - 5%)	**-**	(0.03)
INR/GBP Decreases by 5% (March 31, 2019 - 5%)	**-**	0.03

(ii) Interest rate risk

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

Variable rate borrowings	**–**	–
Fixed rate borrowings	**0.53**	0.96
Total borrowings	**0.53**	0.96

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 allowance for doubtful trade receivables:

	Rupees Million
Loss allowance on April 1, 2018	**-**
Changes in loss allowance	0.21
Loss allowance on March 31, 2019	**0.21**
Changes in allowance	(0.14)
Loss allowance on March 31, 2020	**0.07**

(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
	March 31, 2020	March 31, 2019
Floating Rate		
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, 2020				
Lease Liabilities	0.43	0.42	-	0.85
Liability for capital expenditure	48.17	-	-	48.17
Trade payables	125.78	-	-	125.78
Security deposits	1.96	-	0.21	2.17
Total non-derivative liabilities	**176.34**	**0.42**	**0.21**	**176.97**
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**

Notes to Financial Statements — *Contd.*

35
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 statements as capital of the Company.

(b) Dividends

		Rupees Million
	March 31, 2020	March 31, 2019
Dividend for the year ended March 31, 2019 of Rs. 7.50 (March 31, 2018 – Rs. 7.50)	**154.88**	154.88
Dividend distribution tax	**31.84**	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

			Rupees Million
		As at March 31, 2020	As at March 31, 2019
36	**Micro and Small Enterprises**		
	(i) Principal amount remaining unpaid at the end of the year **	**3.34**	0.18
	(ii) Interest due thereon remaining unpaid at the end of the year	**0.01**	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	**0.01**	0.00
	(v) The amount of interest accrued and remaining unpaid at the end of the year	**0.01**	Nil
	(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	**-**	Nil
	(vii) Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961	**0.01**	Nil
	Total	**3.35**	0.18

** 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**		
	Trade payables to related parties	**55.08**	55.17
	Trade payables - others	**67.35**	61.74
	Total	**122.43**	116.91

Notes to Financial Statements — *Contd.*

Note 38
RELATED PARTY TRANSACTIONS

a) List of Related Parties

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

Mr. P. R. S. Oberoi	Chairman
Mr. Shivy Bhasin	Vice Chairman
Late Mr. Bharath Bhushan Goyal (upto 06.04.19)	Managing Director
Mr. Manish Goyal (Director upto 16.05.2019 and Managing Director w.e.f. 17.05.2019)	Managing Director
Mr. T. K. Sibal	Director
Mr. Manav Goyal (w.e.f. 17.05.2019)	Director
Mr. Vikramjit Singh Oberoi	Director
Mr. Arjun Singh Oberoi	Director
Mr. Rajkumar Kataria	Director
Mr. Sandeep Kumar Barasia	Director
Dr. Chhavi Rajawat (w.e.f. 25.10.2019)	Director
Mr. S. N. Sridhar	Company Secretary
Mr. Biswajit Mitra (upto 18.12.2018)	Chief Financial Officer
Mr. Kallol Kundu (w.e.f. 19.12.2018)	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
EIH Investments N.V.
EIH Management Services B.V.
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud

(vi) Associate / Joint Venture of Parent Company
(a) Associate of Parent Company
EIH Associated Hotels Limited
Mercury Travels Limited (upto 07.08.18)
La Roseraie De L'atlas
Usmart Education Limited (w.e.f. 31.07.2018)

(b) Joint Venture of Parent Company
Mercury Car Rentals Private Limited
Oberoi Mauritius Limited

(c) Subsidiary of Associate of Parent Company
Usmart Education Limited (upto 31.07.2018)

(d) Subsidiary of Joint Venture of Parent Company
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, 2020

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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
PURCHASES										
Purchase of goods and services										
EIH Limited	107.11	83.33	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.63	0.14	-	-	-	-
Mashobra Resort Limited	-	-	0.08	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	5.24	5.73	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	0.10	-	-	-	-
Island Resort Limited	-	-	-	-	-	0.09	-	-	-	-
Total	**107.11**	**83.33**	**0.08**	**-**	**5.87**	**6.06**	**-**	**-**	**-**	**-**
Management contract										
EIH Limited	92.15	99.42	-	-	-	-	-	-	-	-
Total	**92.15**	**99.42**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Royalty										
Oberoi Hotels Private Limited	-	-	-	-	-	-	11.31	12.08	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**11.31**	**12.08**	**-**	**-**
Director's sitting fees										
Mr. P. R. S. Oberoi	-	-	-	-	-	-	-	-	0.08	0.16
Mr. Shivy Bhasin	-	-	-	-	-	-	-	-	0.12	0.16
Mr. Bharath Bhushan Goyal	-	-	-	-	-	-	-	-	-	0.08
Mr. T. K. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Manish Goyal	-	-	-	-	-	-	-	-	0.24	0.24
Mr. Manav Goyal	-	-	-	-	-	-	-	-	0.12	-
Mr. Vikramjit Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.12
Dr. Chhavi Rajawat	-	-	-	-	-	-	-	-	0.08	-
Mr. Arjun Singh Oberoi	-	-	-	-	-	-	-	-	0.04	0.12
Mr. Raj Kataria	-	-	-	-	-	-	-	-	0.20	0.12
Mr. Sandeep Kumar Barasia	-	-	-	-	-	-	-	-	0.08	0.08
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.32**	**1.24**
SALES										
Sale of goods and services										
EIH Limited	1.77	0.92	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.28	4.28	-	-	-	-
Mashobra Resort Limited	-	-	0.16	0.07	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	0.45	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-
Total	**1.77**	**0.92**	**0.16**	**0.07**	**0.28**	**4.73**	**-**	**-**	**-**	**-**

Notes to Financial Statements — *Contd.*

38 (b) - 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**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Sale of property, plant and equipment										
EIH Limited	0.01	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.15	-	-	-	-	-
Total	**0.01**	**-**	**-**	**-**	**0.15**	**-**	**-**	**-**	**-**	**-**
INCOME										
License agreement										
EIH Associated Hotels Limited	-	-	-	-	1.05	1.46	-	-	-	-
Total	**-**	**-**	**-**	**-**	**1.05**	**1.46**	**-**	**-**	**-**	**-**
PAYMENTS										
Dividend on equity shares										
EIH Limited	92.93	92.93	-	-	-	-	-	-	-	-
Mr. Shivy Bhasin	-	-	-	-	-	-	-	-	11.70	11.70
Mr. Manav Goyal	-	-	-	-	-	-	-	-	8.24	-
Mr. Manish Goyal	-	-	-	-	-	-	-	-	6.14	6.14
Total	**92.93**	**92.93**	**-**	**-**	**-**	**-**	**-**	**-**	**26.08**	**17.84**
Refund of collections to related party										
EIH Limited	0.62	2.03	-	-	-	-	-	-	-	-
Mashobra Resort Limited	-	-	0.01	-	-		-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.07	0.62	-	-	-	-
Total	**0.62**	**2.03**	**0.01**	**-**	**0.07**	**0.62**	**-**	**-**	**-**	**-**
Expense reimbursed to related party										
EIH Limited	0.96	3.79	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	1.23	0.56	-	-	-	-
Mashobra Resort Limited	-	-	0.01	0.01	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.01	-	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	0.40	0.14	-	-
Total	**0.96**	**3.79**	**0.01**	**0.01**	**1.24**	**0.56**	**0.40**	**0.14**	**-**	**-**
RECEIPTS										
Recovery of collections by related party										
EIH Limited	0.20	2.35	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.28	1.37	-	-	-	-
Mashobra Resort Limited	-	-	-	0.32	-	-	-	-	-	-
Total	**0.20**	**2.35**	**-**	**0.32**	**0.28**	**1.37**	**-**	**-**	**-**	**-**
Expense reimbursed by related party										
EIH Limited	4.92	0.23	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	1.56	2.30	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	0.03	-	-	-	-
Regent Tours and Travels Private Limited	-		-	-	-	-	-	-	-	-
Mashobra Resort Limited	-	-	0.08	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-
Total	4.92	0.23	0.08	-	1.56	2.33	-	-	-	-

Notes to Financial Statements — *Contd.*

38 (c)

The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows :

Rupees Million

Outstanding 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	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
PAYABLES										
For goods, services and management Contract										
EIH Limited	49.76	49.88	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.28	0.07	-	-	-	-
Mashobra Resort Limited	-	-	-	-	-	-	-	-	-	-
PT Widja Putra Karya	-	-	-	0.05	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	1.64	1.09	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	-	0.04	-	-
Total	**49.76**	**49.88**	**-**	**0.05**	**1.92**	**1.16**	**-**	**0.04**	**-**	**-**
Royalty										
Oberoi Hotels Private Limited	-	-	-	-	-	-	3.40	4.02	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**3.40**	**4.02**	**-**	**-**
RECEIVABLES										
For goods and services										
EIH Limited	1.07	0.09	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.35	0.15	-	-	-	-
Mashobra Resort Limited	-	-	0.08	-	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	-	-	-	-	-
Regent Tours and Travels Private Limited	-	-	-	-	-	-	0.10	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.01	-	-
Total	**1.07**	**0.09**	**0.08**	**-**	**0.35**	**0.15**	**0.10**	**0.01**	**-**	**-**

Notes to Financial Statements — *Contd.*

39 The Company had contingent liabilities at March 31, 2020 in respect of:

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

		Rupees Million
	March 31, 2020	March 31, 2019
i. Stamp Duty	**10.23**	10.23
ii. Sales Tax	**0.19**	0.19
iii. Expenditure tax	**0.10**	0.10
iv. Income-tax	**17.25**	19.30
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, 2020	March 31, 2019
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)	**53.80**	85.74

41 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended March 31, 2019.

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

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

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

Lease liability recognised as at 1 April 2019	**0.96**
Of which are:	
Current lease liabilities	0.43
Non-current lease liabilities	0.53

Notes to Financial Statements — *Contd.*

Amount recognised in Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases for the year ended March 31, 2020

	Rupees Million
Particulars	**Amount**
Depreciation charge for the right-of-use assets (vehicle leases)	0.43
Interest expense	0.10
Expense relating to short-term leases (included in other expenses)	4.53
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	0.13

The total cash outflow flows for leases for the year ended March 31, 2020 was Rs. 0.43 million were presented as part of cash flows from financing activities.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

	Rupees Million
Balance as of April 1, 2019	
*Reclassified on adoption of Ind AS 116	0.86
Additions	-
Depreciation	0.43
Balance as of March 31, 2020	**0.43**

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under Ind AS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Company's borrowings and other financial liabilities.

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

	Rupees Million
Particulars	**As at March 31, 2020**
Current lease liabilities	0.26
Non-current lease liabilities	0.27
Total	**0.53**

The following is the movement in lease liabilities during the year ended March 31, 2020:

	Rupees Million
Particulars	
Balance as of April 1, 2019	**0.96**
*Reclassified on adoption of Ind AS 116	
Additions	-
Finance cost accrued during the year	0.10
Payment of lease liabilities	(0.43)
Balance as of March 31, 2020	**0.53**

Notes to Financial Statements — *Contd.*

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	Rupees Million
Particulars	**As at March 31, 2020**
Less than one year	0.26
One to five years	0.27
More than five years	-
Total	**0.53**

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

Assets given on Operating Lease-Lessor

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

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 Million
	March 31, 2020	March 31, 2019
(a) Basic earnings per share	**15.57**	16.35
(b) Diluted earnings per share	**15.57**	16.35
(c) Reconciliations of earnings used in calculating earnings per equity share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	**321.43**	337.72
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share:	**321.43**	337.72

(d) Weighted average number of shares used as the denominator	**March 31, 2020**	March 31, 2019
	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

Notes to Financial Statements — *Contd.*

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, 2019	Cash Flows	Non-cash Changes	**As at March 31, 2020**
Non-current borrowings (including current maturities of finance lease obligations)	0.96	-	(0.96)	**-**
Lease liabilities	-	(0.43)	0.96	**0.53**
Current borrowings	-	-	-	**-**
Total	**0.96**	**(0.43)**	**-**	**0.53**

	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 receivables

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

Advance from customers

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

Rupees Million

Particulars	**As at March 31, 2020**	As at March 31, 2019
As at the beginning of the year	**18.24**	18.03
Recognised as revenue during the year	**17.71**	17.08
As at the end of the year	**12.62**	18.24

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

Notes to Financial Statements — *Contd.*

47 Impact of Covid-19 on Business Operations

The Company's priority in dealing with the exceptional challenges posed by COVID-19 is to ensure the safety of guests and employees, support suppliers and liaise with customers and keep the supply chain operational for essential supplies.

The consequences of the COVID-19 outbreak on the Company's business for the financial year ended March 31, 2020 have been limited, as business was impacted only in the latter half of the month of March 2020. Several cost rationalisation measures have also been initiated subsequent to the year end and are being monitored.

The Company, in these unpredictable times, is relatively insulated from the risk of a liquidity crisis owing to the availability of liquid funds in the form of cash and cash equivalents, other bank balances and investments in mutual funds amounting to Rs. 588.65 Million as on March 31, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of inventory, receivables and other current assets as on March 31, 2020. The recoverable amount of the Cash Generating Unit (CGU) is estimated to be higher than the carrying amount of assets as on March 31, 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered the impact from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown, guests postponing their discretionary spending, internal and external information available up to the date of approval of these financial statements including credit reports and economic forecasts although a clearer picture shall emerge only in due course. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets as on March 31, 2020. The impact of COVID-19 may be different from that estimated on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

48 The financial statements were approved for issue by the Board of Directors on May 21, 2020.

For and on behalf of the Board

Vikramjit Singh Oberoi
Director
(DIN No: 00052014)

Manish Goyal
Managing Director
(DIN No: 00059182)

Place: Mumbai
Date: May 21, 2020

Kallol Kundu
Chief Financial Officer

S.N. Sridhar
Company Secretary

MASHOBRA RESORT LIMITED

BOARD OF DIRECTORS

Mr. Brij Kumar Agarwal, *Chairperson*	*upto 13.09.2019*
Dr. Shrikant Baldi	*From 15.10.2019 to 21.01.2020*
Mr. Ram Subhag Singh	*upto 13.09.2019*
Mr. Anil Kumar Khachi, *Chairperson*	*upto 26.08.2019 & w.e.f. 30.12.2019*
Mr. Prabodh Saxena	*w.e.f. 15.10.2019 upto 30.12.2019 and w.e.f. 21.01.2020*
Mr. Yunus	*w.e.f. 15.10.2019 upto 21.01.2020*
Mr. Ram Dass Dhiman	*w.e.f. 21.01.2020*
Mr. Arjun Oberoi, *Managing Director*	
Mr. Vikram Oberoi	
Mr. T.K. Sibal	
Mr. S.N. Sridhar, *Director & Secretary*	
Mr. Viresh S. Mathur, *Independent Director*	*upto 22.01.2020*
Mr. Shashank Bhagat, *Independent Director*	*upto 22.01.2020*

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

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 Fifth Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2020.

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

Particulars	**₹ in Million**	
	2019-20	2018-19
Total Revenue	**500.99**	497.04
Operating Profit before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	**248.55**	256.26
Interest	**0.98**	1.40
Depreciation and Amortization Expenses	**12.42**	11.77
Profit /(Loss) before Tax	**235.15**	243.09
Tax including Deferred Tax	**69.99**	72.30
Profit/ (Loss) after Tax	**165.16**	170.79
Other Comprehensive Income/(Loss), net of tax	**(0.56)**	(0.33)
Total Comprehensive Income	**164.60**	170.46
Profit/(Loss) Brought Forward from earlier year	**123.82**	(46.64)
Profit/(Loss) Carried Over	**288.42**	123.82

Performance

During the Financial Year under review, the Total Revenue was ₹ 500.99 Million as compared to ₹ 497.04 Million in the previous year. The Profit for the year before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was ₹ 248.55 Million as compared to ₹ 256.26 Million in the previous year. The Profit after tax was ₹ 165.16 Million as compared to ₹ 170.79 Million in the previous year, a decrease of 3.30%. Total Comprehensive Income was ₹ 164.60 Million as compared to ₹ 170.46 Million in the previous year, a decrease of 3.44%. The Revenue and Profitability would have been higher had their not been the outbreak of the Covid-19 pandemic in the 4th quarter of the Financial Year.

A note on the impact of Covid-19 on the Company's operations is given in Note No. 44 of the Notes to the Accounts.

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

- All public areas such as Restaurants, SPA, Gym, swimming pool etc. made non-operational;
- Hotel kept operational through minimum possible team strength for carrying out repair and maintenance work;

- Temperature measuring devices provided at the hotel for continuous monitoring of guests and employees;
- General Manager of the Hotel is in continuous touch with local health officials for implementation of necessary guidelines.

Directors' Responsibility Statement

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

a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for that period;

c) the directors, to the best of their knowledge and ability, have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the Annual Accounts of the Company on a "going concern" basis; and

e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

Mr. Brij Kumar Agarwal (DIN: 08267677) was appointed as a regular Director, liable to retire by rotation and Mr. Arjun Singh Oberoi was re-appointed as Managing Director for a period of 5 (five) years with effect from 24th April 2019, at the Annual General Meeting of the Company held on 5th July 2019.

Mr. Prabodh Saxena (DIN:08255489), Dr. Shrikant Baldi (DIN:01763968) and Mr. Yunus (DIN:08601052) were appointed by the Board on 15th October 2019 in the casual vacancies caused due to the vacating of office by Mr. Anil Kumar Khachi, Mr. Brij Kumar Agarwal and Mr. Ram Subhag Singh respectively.

Mr. Anil Kumar Khachi (DIN:00122260) was appointed by the Board on 30th December 2019 in the casual vacancy caused due to the vacating of office by Mr. Prabodh Saxena.

Mr. Ram Dass Dhiman (DIN: 01687377) and Mr. Prabodh Saxena (DIN: 08255489) were appointed by the Board on 21st January 2020 in the casual vacancies caused due to the vacating of office by Dr. Shrikant Baldi and Mr. Yunus respectively.

Mr. Viresh S. Mathur and Mr. Shashank Bhagat, Independent Directors, resigned from the Directorship of the Company with effect from 22nd January 2020.

The Board places on record its deep appreciation of the services rendered and valuable contributions made by Mr. Brij Kumar Agarwal, Dr. Shrikant Baldi, Mr. Yunus, Mr. Ram

Subhag Singh, Mr. Viresh S. Mathur and Mr. Shashank Bhagat during their tenure as Directors on the Board of the Company.

In accordance with Section 161(4) of the Act, Mr. Anil Kumar Khachi (DIN:00122260), Mr. Ram Dass Dhiman (DIN: 01687377) and Mr. Prabodh Saxena (DIN: 08255489) who were appointed by the Board in the causal vacancy/ies are required to be approved by the Shareholders at the next Annual General Meeting of the Company. Mr. Anil Kumar Khachi, Mr. Ram Dass Dhiman and Mr. Prabodh Saxena will hold office as Directors up to the date up to which Dr. Shrikant Baldi, Mr. Ram Subhag Singh and Mr. Yunus would have held office, had they not vacated their office as Directors. The Directors recommend appointment of these directors as regular directors on the Board, liable to retire by rotation.

Mr. Vikramjit Singh Oberoi and Mr. T.K. Sibal 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. Vikramjit Singh Oberoi and Mr. T.K. Sibal.

Board Meeting

During the year, the Company held four Board Meetings on 10th May 2019, 1st August 2019, 31st October 2019 and 21st January 2020 respectively. The attendance of the Directors is as under:

Name of the Director	No. of Meetings attended
Mr. Arjun Singh Oberoi	2(1)
Mr. S.N. Sridhar	4
Mr. Vikramjit Singh Oberoi	4(1)
Mr. T.K. Sibal	4
Mr. Viresh S. Mathur*	4(3)
Dr. Shrikant Baldi#	1
Mr. Shashank Bhagat*	3(3)
Mr. Anil Kumar Khachi***	2
Mr. Ram Subhag Singh**	2
Mr. Brij Kumar Agarwal**	2
Mr. Prabodh Saxena##	1
Mr. Yunus#	1
Mr. Ram Dass Dhiman@	1

* ceased to be a Director w.e.f. 22.01.2020
** ceased to be a Director w.e.f. 13.09.2019
*** ceased to be a Director w.e.f. 26.08.2019 and appointed as a Director w.e.f 30.12.2019
# ceased to be Director w.e.f. 21.01.2020
appointed as a Director w.e.f. 15.10.2019, ceased to be a Director w.e.f 30.12.2019 and appointed as a Director w.e.f. 21.01.2020
@ appointed as a Director w.e.f. 21.01.2020
( ) The number in bracket represents meeting attended through video conference out of the total number of meetings attended.

Audit Committee and the Nomination and Remuneration Committee

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

Independent Directors and their Meeting

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

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

Corporate Social Responsibility

In accordance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules 2014, the Company had formulated a CSR Policy in the Financial Year 2014-15. During the year, the CSR policy was amended to include "Promotion and Development of Traditional Arts and Handicrafts" as the new CSR Activity. The Policy can be accessed on the holding Company, EIH Limited website, www.eihltd.com.

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2019-20 is given in **Annexure -I**, which forms a part of this report. The Annexure also gives the Composition of the Committee.

During the year, the CSR Committee met thrice on 10th May 2019, 1st August 2019 and 31st October 2019 respectively. The attendance of the members of the Committee is as under:

Name of the Member	No. of Meetings Attended
Mr. Vikramjit Singh Oberoi	3(1)
Mr. Arjun Singh Oberoi	1
Mr. Shashank Bhagat*	3(3)
Mr. Brij Kumar Agarwal#	2
Mr. Yunus@	0

*ceased to be a member w.e.f. 22.01.2020

ceased to be a member w.e.f. 13.09.2019

@ Appointed as a member w.e.f. 31.10.2019 and resigned from the Directorship and committee membership w.e.f. 21.01.2020

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

Directors Appointment and Remuneration Policy

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

Board Evaluation

The Company has put in place a Board Evaluation Process and Policy for evaluation of Board of Directors, Individual Directors and Committees etc. M/s Excellence Enablers Private Limited led by former SEBI Chairman, Mr. M. Damodaran had conducted the evaluation of the Board, Committees and Individual Directors. The Board Evaluation Report for the Financial Year 2019-20 submitted by Mr. Damodaran has been taken on record by the Board.

Risk Management

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

Energy Conservation Measures

During the year, focussed Energy Conservation efforts continued. Measures taken include replacement of conventional lamps with energy efficient LED lamps with smart controls, improving waste heat recovery and carrying out over hauling works for heat exchangers. Furthermore, conservation measures in the form of tight operational control of lighting and other equipment, regulation of air conditioning set points according to ambient temperatures, taking guest floors out of order during low occupancy, optimization of laundry and boiler operations were continued. Energy audit of plant and machinery along with thermography of electrical panels were carried out for identifying additional measures of saving energy.

Operational measures taken include setting of benchmarks for the current year with targets for increased savings, initiatives by the energy conservation committees comprising of cross functional groups, close monitoring and performance evaluation of plant and machinery by conducting regular self-audits and up gradation of plant room equipment. With various energy conservation measures taken in the Financial Year 2019-20, we were able to reduce our overall energy consumption by about 2.8 lakh KWH which has resulted in a reduction of our carbon dioxide emissions by about 0.9 lakh Kg as compared to the previous financial year.

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

Foreign Exchange Earnings and outgo

Foreign exchange earnings during the year amounted to ₹ 64.69 Million as compared to ₹ 65.67 Million in the previous year. The outflow of foreign exchange during the year was ₹ 6.19 Million as compared to ₹ 13.23 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 Notes 3 (ii) & 17 of the financial statement and do not call for any further comments.

Cost Records

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

Significant and Material Orders, if any

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

Prevention of Sexual Harassment at Work Place

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

Related Party Transactions

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

Internal Financial Controls

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

Extract of Annual Return

Extract of Annual return in Form MGT-9 is annexed as **Annexure –II.** The Annual Return of the Company is placed on the holding Company EIH Ltd website, www.eihltd.com .

Loans, Guarantees or investments

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

Deposits

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

Secretarial Audit

During the year, in accordance with listing regulations applicable to the holding Company, EIH Limited, the Company has become an "unlisted material subsidiary" of EIH Limited. Therefore, Secretarial Audit of the records of the Company was required to be conducted by a Practising Company Secretary under the listing regulations. Accordingly, the Secretarial Audit of the records of the Company was conducted by a Practicing Company Secretary. The report submitted by the Practicing Company Secretary does not contain any qualification, reservation or adverse remark. The report is **annexed** and forms part of this report.

Internal Audit and Vigil Mechanism

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

Subsidiaries, Associates and Joint Ventures

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

Director/KMP Remuneration

The Key Managerial Personnel of the Company, namely, Mr. Arjun Singh Oberoi, Managing Director, Mr. Kallol Kundu and Mr. S.N. Sridhar, Company Secretary do not draw any remuneration from the Company. Sitting fee of ₹ 40000 per sitting of the Board or a Committee thereof is paid to all Directors. The total sitting fee paid during the Financial Year 2019-20 was ₹ 1.60 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 Singh Oberoi	T.K. Sibal
Date: 18th May 2020	*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, 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 policy also focusses on sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga and also for contribution to the Prime Minister's National Relief Fund. During the year, the CSR policy was amended to include "Promotion and Development of Traditional Arts and Handicrafts" as the new CSR Activity.

The Board of Directors at the Board meeting held on 1st August 2019, on the recommendation of the CSR Committee, approved a CSR spend of Rs. 5.05 Million for the Financial Year 2019-20, being 2% of average net profit of the Company in the last three Financial Years. The amount of Rs.5.05 Million was spent on the following activities:

a) Skill Development through vocational training of student at the School for Hearing and Visually Impaired, Dhalli;
b) Operation, 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. Brij Kumar Agarwal@	Member
Mr. Yunus#	Member

* Resigned from the Directorship and committee membership w.e.f. 22.01.2020
@ Resigned from the Directorship and committee membership w.e.f. 13.09.2019
\# Appointed as member w.e.f. 31.10.2019 and resigned from the Directorship and committee membership w.e.f. 21.01.2020

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

₹ 252.51 Million.

4. **Prescribed CSR Expenditure (two percent of the amount as in Item 3 above).**
₹ 5.05 Million.

5. **Details of CSR spent during the Financial Year**
a) Total Amount to be spent for the Financial Year : ₹ 5.05 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**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads :**	**Cumulative expenditure up to the reporting period**	**Amount spent Direct or through implementing agency**
				(₹ in Million)	**(₹ in Million)**	**(₹ in Million)**	
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	2.03	1.84	1.84	Direct
2.	Promoting education by setting up vocational training centre in the School for the Hearing and Visually Impaired	Rural	Operation, Repair, Maintenance and construction work at the School for Healing and Visually Impaired, Dhalli	2.06	1.79	1.79	Direct
3.	Swachh Bharat Abhiyan	Rural	NH-22 near Chharabra Market, Shimla, Himachal Pradesh	0.96	0.86	0.86	Direct
4.	Installation of Laundry Equipment at School for the Hearing and Visually Impaired	Rural	Skill Development (vocational training) at the School of Hearing & Visually Impaired, Dhalli.	-	0.56	0.56	Direct
			TOTAL	**5.05**	**5.05**	**5.05**	

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 ₹ 5.05 Million in the Financial Year 2019-20.

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 2020

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.	EIH Limited, c/o Investor Services Division 7, Shamnath Marg, Delhi-110054

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 Shares 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. Promoter(s)									
(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 up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 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)	-	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	-	5.00	-	5.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**5.00**	**-**	**5.00**
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year *				
i) Principal Amount	-	5.00	-	5.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**5.00**	**-**	**5.00**

Note:
1. Unsecured Loans are from "Government of Himachal Pradesh" and repayable at the option of the company.

* Outstanding on account of lease liabilities, not being loans/deposits, are not included.

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 Singh 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) of the Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others- Sitting Fee	0.12	0.12
	Total (A)	**0.12**	**0.12**
	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 (Rs.in Million)
		Mr. Shashank Bhagat	Mr. Viresh S. Mathur	
1	Independent Directors			
	Fee for attending board committee meetings	0.24	0.16	0.40
	Commission			
	Others, please specify			
	Total (1)	**0.24**	**0.16**	**0.40**

S. No	Other Non-Executive Directors	Mr. Vikramjit Singh Oberoi	Mr. T.K. Sibal	Mr. S.N. Sridhar	Dr. Shrikant Baldi*	Mr. Prabodh Saxena	Mr. Yunus	Mr. Anil Kumar Khachi*	Mr. Ram Subhag Singh*	Mr. Brij Kumar Agarwal*	Mr. Ram Dass Dhiman*	Total
2	Fee for attending board committee meetings	0.28	0.16	0.16	0.04	0.04	0.04	0.08	0.08	0.16	0.04	1.08
	Commission											
	Others, please specify											
	Total (2)	**0.28**	**0.16**	**0.16**	**0.04**	**0.04**	**0.04**	**0.08**	**0.08**	**0.16**	**0.04**	**1.08**
	Total (B)=(1+2)	1.48										
	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) of The Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of The 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	Arjun Singh Oberoi	T.K. Sibal
Dated: 18th May 2020	*Managing Director*	*Director*

SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2020

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2020 ("the financial year"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2020, according to the provisions of:

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

II. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent applicable in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

III. Secretarial Standards issued by the Institute of Company Secretaries of India;

IV. Other significant laws specifically applicable to the Company, including:

a) Tourism Policy of Government of India and Classification of Hotels

b) Food Safety and Standards Act, 2006 and Rules made thereunder

c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder

d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder

e) Phonographic and Performance License

f) Indian Explosives Act, 1884 and Rules made thereunder

g) The Apprentices Act, 1961 and Rules made thereunder

h) India Boiler Act, 1923

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. 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. Viresh S Mathur and Mr. Shashank Bhagat who were appointed in the year 2015 as Independent Directors for a consecutive period of five (5) years continued on the Board as Independent Directors. Both Mr. Mathur and Mr. Bhagat have since resigned from the Board of Directors of the Company with effect from January 22, 2020.

3. During the financial year, adequate notice along with agenda and detailed notes on agenda was given to all directors for the meetings of the Board and its Committee(s) and in case of shorter notice, due compliance of relevant provisions of the Act and Secretarial Standards in this regard was made. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

4. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

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

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

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

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

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800
(UDIN: F001551800025840l)

Date: May 18, 2020
Place: New Delhi

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

Annexure to Secretarial Audit Report of even date

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

Our Secretarial Audit Report of even date for the financial year ended March 31, 2020 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

   This audit was completed during the period of lockdown imposed by the Government due to the Covid-19 pandemic. During these extraordinary times, we had to make an exception and place reliance solely on scanned copy of certain documents and records, as provided to us by the Company electronically for the purpose of this audit, as we could not verify physical copies of the said documents and records.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and occurrence of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our responsibility is to express an opinion based on examination of systems and procedures being followed by the Company.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jus & Associates
Company Secretaries

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

Date: May 18, 2020
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mashobra Resort Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MASHOBRA RESORT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the 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 financial statements.

Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of written representations received from the directors of the Company as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, the provisions of Section 197 of the Act relating to remuneration to directors are not applicable.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36, 3(ii) and 17 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 31(B) to the financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 43 to the financial statements.

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

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 20093474AAAAAQ7995)

Place: Gurugram
Date: May 18, 2020

"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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 20093474AAAAAQ7995)

Place: Gurugram
Date: May 18, 2020

"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 and no material discrepancies were noticed on such verification.

c. Based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements.

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

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

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

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

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

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

a. Other than for certain delays in deposit of Goods and Services Tax, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c. Details of dues of Income-tax and Luxury Tax which have not been deposited as on March 31, 2020 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)**
Income Tax Act, 1961	Income-tax	Commissioner (Appeal)	2016-17	0.18*
The Himachal Pradesh Tax on Luxuries (In Hotels and Lodging Houses) Rules, 1979	Luxury Tax	Deputy Excise & Taxation Commissioner-Cum-Assessing Authority	2013-2014 to 2015-2016	10.12

* Net of Rs. 0.04 million paid under protest.

There are no dues of Service tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on March 31, 2020 on account of any disputes.

(viii) The Company has not defaulted in the repayment of loans or borrowings to Government. The Company has not taken any loans or borrowings from banks and financial institutions or has not issued any debentures.

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

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/ provided any managerial remuneration during the year in accordance with the provisions of Section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of CARO 2016 is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

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

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 20093474AAAAAQ7995)

Place: Gurugram
Date: May 18, 2020

Balance Sheet as at March 31, 2020

Rupees Million

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	**498.32**	488.14
(b) Right-of-use-asset	4	**0.45**	-
(c) Capital work-in-progress		**2.24**	3.08
(d) Intangible assets	5	**0.37**	0.56
(e) Financial assets			
Other financial assets	6(i)	**1.22**	5.12
(f) Deferred tax assets (net)	7	**16.46**	45.25
(g) Tax assets (net)	8	**2.47**	0.43
(h) Other non-current assets	9	**3.19**	3.64
Total non-current assets		**524.72**	546.22
Current assets			
(a) Inventories	10	**26.76**	19.72
(b) Financial assets			
(i) Trade receivables	11	**26.21**	30.43
(ii) Cash and cash equivalents	12	**8.76**	11.59
(iii) Other bank balances	13	**1,424.98**	1,238.14
(iv) Other financial assets	6(ii)	**17.86**	14.07
(c) Other current assets	14	**14.06**	8.31
Total current assets		**1,518.63**	1,322.26
Total Assets		**2,043.35**	1,868.48
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	**330.00**	330.00
(b) Other equity	16	**288.42**	123.82
Total Equity		**618.42**	453.82
Advance towards equity	17	**1,361.93**	1,361.93
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**5.00**	5.52
(ii) Lease liabilities		**0.31**	-
(b) Provisions	19	**4.03**	2.82
Total non-current liabilities		**9.34**	8.34
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	33	**0.06**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	34	**44.18**	31.76
(ii) Lease liabilities		**0.21**	-
(iii) Other financial liabilities	20	**0.10**	0.78
(b) Provisions	19	**0.02**	0.01
(c) Other current liabilities	21	**9.09**	11.84
Total current liabilities		**53.66**	44.39
Total Equity and Liabilities		**2,043.35**	1,868.48

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

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)

Gurugram
18 May, 2020

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

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

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

Kallol Kundu
Chief Financial Officer

Shimla
18 May, 2020

Statement of Profit and Loss for the Year ended March 31, 2020

	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
			Rupees Million
Income			
Revenue from operations	22	**409.47**	421.58
Other income	23	**91.52**	75.46
Total Income		**500.99**	497.04
Expenses			
Consumption of provisions, wines & others	24	**28.62**	29.35
Employee benefits expense	25	**73.24**	71.19
Finance costs	26	**0.98**	1.40
Depreciation and amortisation expense	27	**12.42**	11.77
Other expenses	28	**150.58**	140.24
Total Expenses		**265.84**	253.95
Profit before tax		**235.15**	243.09
Tax Expense			
Income tax	29	**68.97**	71.28
Deferred tax	29	**1.02**	1.02
Profit for the year		**165.16**	170.79
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		**(0.79)**	(0.47)
Tax relating to this item		**0.23**	0.14
Total other comprehensive income/(loss) for the year, net of tax		**(0.56)**	(0.33)
Total comprehensive income for the year		**164.60**	170.46
Earnings per equity share (in Rs.) - Face Value Rs. 10	40		
(1) Basic		**5.00**	5.18
(2) Diluted		**5.00**	5.18

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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18 May, 2020

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(DIN No: 00038992)

Kallol Kundu
Chief Financial Officer

Shimla
18 May, 2020

Statement of Cash Flows for the Year ended March 31, 2020

		Rupees Million
	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Cash flows from operating activities		
Profit before tax	**235.15**	243.09
Adjustments for		
Depreciation and amortisation expense	**12.42**	11.77
Loss on Sale / Discard of property, plant and equipment (Net)	**0.12**	0.54
Interest income on financials assets carried at amortised cost	**(88.62)**	(70.55)
Provisions and liabilities no longer required, written back	**(0.02)**	(0.39)
Finance costs	**0.98**	1.40
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**4.22**	3.05
(Increase)/decrease in inventories	**(7.04)**	(1.24)
Increase/(decrease) in trade payables	**12.50**	3.74
(Increase)/decrease in other financial assets	**(0.06)**	(4.07)
(Increase)/decrease in other non-current assets	**(0.24)**	(2.13)
(Increase)/decrease in other current assets	**(5.75)**	2.63
Increase/(decrease) in employee benefit obligations	**0.43**	0.16
Increase/(decrease) in other financial liabilities	**-**	(0.32)
Increase/(decrease) in other current liabilities	**(2.75)**	(8.50)
Cash generated from operations	**161.34**	179.18
Income taxes paid (net of refund)	**(43.01)**	(53.57)
Net cash inflow from operating activities	**118.33**	125.61
Cash flows from investing activities		
Payments for property, plant and equipment	**(21.96)**	(16.36)
Proceeds from sale of property, plant and equipment	**0.01**	0.18
Other bank balances - deposits placed	**(182.91)**	(191.11)
Interest received	**84.86**	66.80
Net cash outflow from investing activities	**(120.00)**	(140.49)

Statement of Cash Flows — *Contd.*

		Rupees Million
	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Cash flows from financing activities		
Proceeds from borrowings	**-**	0.26
Repayment of borrowings	**-**	(0.26)
Repayment of lease liabilities	**(0.18)**	-
Interest paid	**(0.98)**	(1.40)
Net cash outflow from financing activities	**(1.16)**	(1.40)
Net increase/(decrease) in cash and cash equivalents	**(2.83)**	(16.28)
Cash and cash equivalents at the beginning of the year	**11.59**	27.87
Cash and cash equivalents at the end of the year	**8.76**	11.59

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)

Alka Chadha
Partner
(Membership No. 93474)

Gurugram
18 May, 2020

For and on behalf of the Board

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

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

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

Kallol Kundu
Chief Financial Officer

Shimla
18 May, 2020

Statement of changes in equity for the Year ended March 31, 2020

Rupees Million

A. Equity share capital

Balance as at April 1, 2018	330.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	330.00
Changes in equity share capital during the year	-
Balance as at March 31, 2020	330.00

B. Other equity

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

The accompanying notes form an integral part of the financial statements

For and on behalf of the Board

As per our report of even date attached

For Deloitte Haskins & Sells LLP
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Alka Chadha
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Gurugram
18 May, 2020

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Kallol Kundu
Chief Financial Officer

Shimla
18 May, 2020

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.

Notes to Financial Statements — *Contd.*

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.

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

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

e) Deferred Tax

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

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

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

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

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

f) Leases

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

Notes to Financial Statements — *Contd.*

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Financial Statements — *Contd.*

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

The Company as a lessor

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

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

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

g) Impairment of assets

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

h) Cash and cash equivalents

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

Notes to Financial Statements — *Contd.*

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

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

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

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

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

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

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

(iv) Derecognition of financial assets
A financial asset is derecognised only when
- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Notes to Financial Statements — *Contd.*

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.

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.

Notes to Financial Statements — *Contd.*

q) Provisions, contingent liabilities and contingent assets

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

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

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

r) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations –

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

Leave encashment on termination of service –

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

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

Provident Fund –

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

s) Dividends

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

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Notes to Financial Statements — *Contd.*

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 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2020

3

Significant estimates and judgements

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

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

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

(i) Useful life of the Hotel Building

The Company has adopted useful life of property, plant and equipment as stipulated by Schedule II to the Companies Act, 2013 except for the hotel building for computing depreciation. In the case of the hotel building of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificate of the technical expert as on March 31, 2020 the balance useful life of the hotel building of the Company was 55 years. The carrying amount of the hotel building is being depreciated over its residual life. Based on management evaluation performed at each reporting period, there has been no change in the earlier assessed useful life.

(ii) Significant and material order

The Company was incorporated consequent upon a Joint Venture Agreement between EIH Limited and the Government of Himachal Pradesh. Disputes inter se, between the two Joint Venture Partners as well as between the Company and the Government of Himachal Pradesh were referred by the High Court of Himachal Pradesh by an Order dated December 17, 2003 to an Arbitral Tribunal consisting of a single arbitrator. The Arbitrator's Award dated July 23, 2005 was challenged both by the Company and EIH Limited, amongst others, before the High Court of Himachal Pradesh. The Company continues to keep 30% of the Room Revenue in respect of the balance 57 rooms out of 85 rooms, being operated as per the directions of the High Court, in fixed deposits and current account with a Nationalised Bank, in accordance with the December 17, 2003 Order referred to above and such deposits have been disclosed in these financial statements under "Non-current financial assets" {Refer Note 6(i)} and "Other bank balances" (Refer Note 13).

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

Notes to Financial Statements — *Contd.*

4 (i)
Property, plant and equipment

Rupees Million

	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	As at April 1, 2018	For the year	Less: Sales/ Adjustments	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).

Notes to Financial Statements — *Contd.*

4 (i) contd.
Property, plant and equipment

Rupees Million

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

Rupees Million

	Gross carrying amount						Accumulated Depreciation						Carrying value as at March 31, 2020
	Balance as at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 38)	Adjusted balance as at April 1, 2019	Additions during the year	Sales/ adjustment during the year	Balance as at March 31, 2020	As at April 1, 2019	Reclassified on adoption of Ind AS 116 (Refer note 38)	Adjusted balance as at April 1, 2019	For the year	Less: Sales/ Adjustments	As at March 31, 2020	
Vehicles	-	1.68	1.68	-	-	1.68	-	1.03	1.03	0.20	-	1.23	0.45

4 (ii)

Contractual Obligations

Refer to Note 37 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, 2019**
	Balance as at April 1, 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/ Adjustments**	**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**

	Gross carrying amount				**Accumulated Amortisation**				**Carrying value as at March 31, 2020**
	Balance as at April 1, 2019	**Additions during the year**	**Sales/adjustment during the year**	**Balance as at March 31, 2020**	**As at April 1, 2019**	**For the year**	**Less: Sales/ Adjustments**	**As at March 31, 2020**	
Computer Software	0.97	-	-	0.97	0.41	0.19	-	0.60	0.37
Total	**0.97**	**-**	**-**	**0.97**	**0.41**	**0.19**	**-**	**0.60**	**0.37**

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

Notes to Financial Statements — *Contd.*

Rupees Million

	As at March 31, 2020	As at March 31, 2019
6		
Other financial assets		
Other financial assets consist of the following		
(i) Non-current financial assets		
Fixed deposits *	**-**	3.93
Security deposits	**1.22**	1.19
Total other non-current financial assets	**1.22**	5.12
* Maintained as per High Court order dated December 17, 2003 (Refer Note 3(ii))		
(ii) Current financial assets		
Interest accrued on deposits	**17.71**	13.95
Security deposits	**0.12**	0.12
Other receivables	**0.03**	-
Total other current financial assets	**17.86**	14.07

	As at March 31, 2020	As at March 31, 2019
7		
Deferred tax assets (net)		
Deferred Tax Assets on account of :		
Accrued expenses deductible on payment	**2.40**	1.20
MAT credit entitlement	**99.82**	127.82
Other temporary differences	**0.02**	0.10
Total deferred tax assets (A)	**102.24**	129.12
Deferred Tax Liabilities on account of :		
Property, plant and equipment, right-of-use asset and intangible assets	**85.78**	83.87
Total deferred tax liabilities (B)	**85.78**	83.87
Deferred tax assets (net) (A-B)	**16.46**	45.25

Notes to Financial Statements — *Contd.*

Movement in deferred tax assets Rupees Million

	Accrued expenses deductible on payment	MAT credit entitlement	Other temporary differences	Total
As at April 1, 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**
(Charged)/Credited:				
- to profit and loss	0.97	(28.00)	(0.08)	(27.11)
- to other comprehensive income	0.23	-	-	0.23
As at March 31, 2020	**2.40**	**99.82**	**0.02**	**102.24**

Movement in deferred tax liabilities **Rupees Million**

	Property, plant and equipment, right-of-use asset and intangible assets
As at April 1, 2018	**82.70**
Charged/(Credited):	
- to profit and loss	1.17
As at March 31, 2019	**83.87**
Charged/(Credited):	
- to profit and loss	1.91
As at March 31, 2020	**85.78**

Rupees Million

	As at March 31, 2020	As at March 31, 2019
8		
Non-current tax assets (net)		
Opening balance	**0.43**	(0.84)
Less: Tax payable for the year	**(68.97)**	(71.28)
Add: MAT credit utilised	**28.00**	18.98
Add: Taxes paid	**43.01**	53.57
Total non-current tax assets (net)	**2.47**	0.43

Notes to Financial Statements — *Contd.*

	As at March 31, 2020	As at March 31, 2019
		Rupees Million
9		
Other non-current assets		
Capital advances	**0.70**	1.39
Prepaid expenses	**0.11**	0.26
Services exports incentive	**2.38**	1.99
Total other non-current assets	**3.19**	3.64

10
Inventories *

Provisions, wines and others	**9.84**	6.55
Stores & Operating Supplies	**16.92**	13.17
Total inventories	**26.76**	19.72

* 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. 28.62 million (for the year ended March 31, 2019: Rs. 29.35 million).

11
Trade receivables *

Unsecured, considered good		
Receivables from related parties	**0.59**	1.20
Receivable from other than related parties	**25.62**	29.23
Total trade receivables	**26.21**	30.43

* Read with note 31

12
Cash and cash equivalents

Balances with banks		
- Current accounts	**5.37**	2.26
Cash in hand	**0.34**	0.44
Fixed deposits with maturity within three months	**3.05**	8.89
Total cash and cash equivalents	**8.76**	11.59

Notes to Financial Statements — *Contd.*

Rupees Million

	As at March 31, 2020	As at March 31, 2019
13		
Other bank balances		
Current account *	**0.02**	0.03
Fixed deposits *	**878.77**	764.65
Fixed deposits with original maturity of more than 3 months amd having remaining maturity of less than 12 months from the Balance Sheet date	**546.19**	473.46
Total other bank balances	**1,424.98**	1,238.14

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

	As at March 31, 2020	As at March 31, 2019
14		
Other current assets		
Prepaid expenses	**1.89**	4.01
Services exports incentive	**5.88**	4.16
Other advances	**6.29**	0.14
Total other current assets	**14.06**	8.31

Notes to Financial Statements — *Contd.*

	As at March 31, 2020	As at March 31, 2019
		Rupees Million
15		
Equity share capital		
AUTHORISED		
50,000,000 Equity Shares of Rs. 10 each (2019 - 50,000,000)	**500.00**	500.00
	500.00	500.00
ISSUED, SUBSCRIBED & FULLY PAID		
33,000,000 Equity Shares of Rs. 10 each (2019 - 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) Rupees Million
As at April 1, 2018	33,000,000	330.00
Change during the year	-	-
As at March 31, 2019	33,000,000	330.00
Change during the year	-	-
As at March 31, 2020	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 Rs. 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, 2020		As at March 31, 2019	
	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:

	Number of Shares	
	As at March 31, 2020	As at March 31, 2019
	Number of Shares	
EIH Limited	**25,999,995**	25,999,995

Notes to Financial Statements — *Contd.*

	As at March 31, 2020	As at March 31, 2019
		Rupees Million
16		
Other equity		
Reserves and Surplus		
Retained earnings		
Reserves / Surplus *	**288.42**	123.82
Total other equity	**288.42**	123.82
*** Reserves/Surplus**		
Opening Balance	**123.82**	(46.64)
Add: Profit during the year as per Statement of Profit and Loss	**165.16**	170.79
Less: Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	**0.56**	0.33
Closing Balance	**288.42**	123.82

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 ₹ 1,361.93 Million (2019 - ₹ 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, 2020	As at March 31, 2019
Secured					
Maturities of finance lease obligations - Vehicles (Refer note (i) below & note 38)	1 to 4 years	Monthly	12.50%	**-**	0.52
Unsecured					
Government of Himachal Pradesh	Refer note (ii) below	Half-Yearly	16.50%	**5.00**	5.00
Total				**5.00**	5.52

(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, 2020**			**As at March 31, 2019**		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Leave Encashment - Unfunded						
Present value of obligation	0.02	3.30	3.32	0.01	2.33	2.34
Gratuity - Unfunded						
Present value of obligation	-	0.73	0.73	-	0.49	0.49
Total employee benefit obligations	0.02	4.03	4.05	0.01	2.82	2.83

(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 ₹ 2.89 million (for the year ended March 31, 2019: ₹ 2.07 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, 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

Notes to Financial Statements — *Contd.*

Rupees Million

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

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2020	March 31, 2019
Discount rate	**6.66%**	7.68%
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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Gratuity						
Discount rate	**1%**	1%	**(0.15)**	(0.10)	**0.19**	0.12
Salary Growth Rate	**1%**	1%	**0.19**	0.13	**(0.15)**	(0.10)
Leave encashment						
Discount rate	**1%**	1%	**(0.44)**	(0.35)	**0.53**	0.42
Salary Growth Rate	**1%**	1%	**0.53**	0.43	**(0.45)**	(0.36)

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 24.97 years (2019 - 25.21 years) and 17.91 years (2019- 18.36 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, 2020						
Gratuity	-	-	0.02	0.04	3.84	3.90
Leave encashment	0.01	0.02	0.06	0.16	9.43	9.68
Total	**0.01**	**0.02**	**0.08**	**0.20**	**13.27**	**13.58**
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**

Rupees Million

	As at March 31, 2020	As at March 31, 2019
20		
Other current financial liabilities		
Current maturities of finance lease obligations (Refer note 38)	**-**	0.18
Liability for capital expenditure	**0.10**	0.60
Total current financial liabilities	**0.10**	0.78
21		
Other current liabilities		
Advance from customers	**5.22**	5.77
Statutory dues	**3.87**	6.07
Total other current liabilities	**9.09**	11.84

Notes to Financial Statements — *Contd.*

	Year Ended March 31, 2020	Rupees Million Year Ended March 31, 2019
22		
Revenue from operations		
Rooms	**279.66**	285.60
Food and beverage	**103.65**	108.64
Other services	**26.16**	27.34
Total revenue from operations	**409.47**	421.58
23		
Other income		
Interest income on financials assets carried at amortised cost :		
Bank deposits	**88.62**	70.55
Income on account of services exports incentive	**2.38**	4.06
Other gains/(losses) :		
Net foreign exchange gain	**0.17**	0.06
Provisions and liabilities no longer required, written back	**0.02**	0.39
Miscellaneous income	**0.33**	0.40
Total other income	**91.52**	75.46
24		
Consumption of provisions, wines & others		
Opening Stock	**6.55**	5.62
Add : Purchases	**31.91**	30.28
	38.46	35.90
Less : Closing Stock	**9.84**	6.55
Total Consumption of provisions, wines & others	**28.62**	29.35
25		
Employee benefits expense		
Salaries and Wages	**55.57**	55.15
Contribution to provident fund and other funds (Refer note 19)	**2.89**	2.07
Gratuity (Refer note 19)	**0.22**	0.16
Staff welfare expenses	**14.56**	13.81
Total employee benefits expense	**73.24**	71.19

Notes to Financial Statements — *Contd.*

	Year Ended March 31, 2020	Rupees Million Year Ended March 31, 2019
26		
Finance costs		
Interest expense (Refer note 38)	**0.98**	1.40
Total finance costs for financial liabilities not recognised through FVTPL	**0.98**	1.40
27		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**12.03**	11.63
Depreciation of right-of-use asset	**0.20**	-
Amortisation of intangible assets	**0.19**	0.14
Total depreciation and amortisation expense	**12.42**	11.77
28		
Other expenses		
Power and fuel	**30.75**	32.64
Rent (Refer note 38)	**1.96**	2.51
Repairs and maintenance		
- Building	**7.99**	5.33
- Plant and equipment	**8.72**	7.84
- Others	**1.77**	1.00
Insurance	**1.44**	1.16
Rates and taxes	**1.59**	1.04
Expenses on apartment and board	**8.46**	8.20
Advertisement, publicity and other promotional expenses	**7.44**	6.20
Commission to travel agents and others	**24.24**	19.91
Passage and travelling	**8.22**	7.44
Postage, telephone, etc.	**1.10**	0.80
Legal and Professional charges	**4.43**	4.20
Linen, uniform washing and laundry expenses	**0.77**	0.76
Renewals and replacements	**5.15**	5.17
Musical, banquet and kitchen expenses	**0.71**	1.05
Auditors’ remuneration (Refer Note 28(a))	**0.15**	0.15
CSR expenses (Refer note 28(b))	**5.05**	5.03
Expenses on contracts for service	**17.25**	15.59
Loss on Sale / Discard of property, plant and equipment (Net)	**0.12**	0.54
Water charges	**7.42**	7.55
Director’s sitting fees	**1.60**	1.44
Printing and stationery	**1.16**	1.05
Subscriptions	**1.08**	1.07
Donation	**0.02**	-
Miscellaneous expenses	**1.99**	2.57
Total other expenses	**150.58**	140.24

Notes to Financial Statements — *Contd.*

	Year Ended March 31, 2020	Rupees Million Year Ended March 31, 2019
(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**	0.05
	0.15	0.15
(b) Details of CSR Expenditure		
(i) Acquisition of asset		
Laundry machine for the school for the hearing and visually impaired at Dhalli, Shimla	**0.56**	-
(ii) On purposes other than above		
Repair, maintenance and construction work at school for the hearing and visually impaired at Dhalli, Shimla	**1.79**	2.38
Skill Development (Vocational Training) at School for hearing and visually impaired at Dhalli, Shimla	**1.84**	1.82
Expenses for Swachh Bharat Abhiyan	**0.86**	0.83
Total CSR expenditure	**5.05**	5.03
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	**5.05**	4.73

29
Tax Expense

(a) Income tax		
Tax on profits for the year	**68.97**	71.28
Total income tax	**68.97**	71.28
(b) Deferred tax		
Decrease (increase) in deferred tax assets	**26.88**	18.69
(Decrease) increase in deferred tax liabilities	**1.91**	1.17
	28.79	19.86
Less: MAT credit utilised	**(28.00)**	(18.98)
Add / (Less): Recognised in OCI	**0.23**	0.14
Total deferred tax expense/(benefit)	**1.02**	1.02
Total tax expense	**69.99**	72.30

Notes to Financial Statements — *Contd.*

	Year Ended March 31, 2020	Year Ended March 31, 2019
		Rupees Million
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before tax expense	**235.15**	243.09
Tax at the rate of 29.12% (F.Y. 2018-19 – 29.12%)	**68.48**	70.79
Tax effect of amounts which are not deductible in calculating taxable income:		
CSR Expenses	**1.47**	1.46
Donation	**0.01**	-
Income Tax	**0.01**	0.06
Adjustments related to property, plant and equipment:		
Adjustment on account of depreciable & leased assets	**0.02**	(0.01)
Tax expense as per Income Tax	**69.99**	72.30

Notes:

(i) The Company has elected not to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in view of the eligible MAT credit available for set-off.

(ii) Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application of this amendment is Nil. The effect of adoption of this amendment in the current year is also Nil.

Notes to Financial Statements — *Contd.*

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
	Amortised cost	Amortised cost
30		
Fair Value Measurements		
Financial instruments by category		
Financial assets		
Trade receivables	**26.21**	30.43
Cash and cash equivalents	**8.76**	11.59
Other bank balances	**1,424.98**	1,238.14
Other receivables	**17.74**	13.95
Security deposits	**1.34**	1.31
Fixed deposits with more than 12 months maturity period	**-**	3.93
Total financial assets	**1,479.03**	1,299.35
Financial liabilities		
Borrowings	**5.00**	5.00
Finance lease obligations	**-**	0.70
Lease liabilities	**0.52**	-
Trade payables	**44.24**	31.76
Others	**0.10**	0.60
Total financial liabilities	**49.86**	38.06

(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.*

31
Financial risk management

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

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

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

(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 (Rs.).

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 Rs. Million are as follows :

		Rupees Million
Currency	**Receivables**	**Payables**
March 31, 2020		
Euro	-	0.08
US Dollar (USD)	-	2.44
Net Exposure to foreign currency risk	-	2.52
March 31, 2019		
Great Britain Pound (GBP)	-	0.11
Net Exposure to foreign currency risk	-	0.11

Sensitivity

If Rs. 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, 2020	March 31, 2019
EURO sensitivity		
Rs./EURO Increases by 5% (March 31, 2019 - 5%)	**-**	-
Rs./EURO Decreases by 5% (March 31, 2019 - 5%)	**-**	-
USD sensitivity		
Rs./USD Increases by 5% (March 31, 2019 - 5%)	**(0.12)**	-
Rs./USD Decreases by 5% (March 31, 2019 - 5%)	**0.12**	-
GBP sensitivity		
Rs./GBP Increases by 5% (March 31, 2019 - 5%)	**-**	(0.01)
Rs./GBP Decreases by 5% (March 31, 2019 - 5%)	**-**	0.01

(ii) Interest rate risk

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

		Rupees Million
	March 31, 2020	March 31, 2019
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, 2020				
Borrowings*	0.83	3.30	5.00	9.13
Lease liabilities	0.37	0.46	-	0.83
Liability for capital expenditure	0.10	-	-	0.10
Trade payables	44.24	-	-	44.24
Total non-derivative liabilities	**45.54**	**3.76**	**5.00**	**54.30**
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**

* 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.*

32
Capital Management

Risk management

The Company's objectives when managing capital are to

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

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

The Company does not have significant borrowings outstanding. Further, borrowing of Rs. 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.

Rupees Million

		As at March 31, 2020	As at March 31, 2019
33	**Trade Payables to Micro and Small Enterprises**		
(i)	Principal amount remaining unpaid at the end of the year	**0.06**	Nil
(ii)	Interest due thereon remaining unpaid at the end of the year	**-**	Nil
(iii)	The amount of interest paid along with the amounts of the payment beyond the appointed day.	**Nil**	Nil
(iv)	The amount of interest due and payable for the year	**-**	
(v)	The amount of interest accrued and remaining unpaid at the end of the year	**-**	Nil
(vi)	The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	**-**	Nil
(vii)	Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961	**-**	Nil

34
Trade Payables to Other Than Micro and Small Enterprises

Trade payables to related parties	**5.72**	2.58
Trade payables - others	**38.46**	29.18
Total	**44.18**	31.76

Notes to Financial Statements — *Contd.*

35 (a)
Related Party Disclosures
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 upto 13.09.19) - Chairman
Dr. Shrikant Baldi (upto 23.07.18) (w.e.f. 15.10.19 upto 21.01.20) - Chairman
Mr. Anil Kumar Khachi (w.e.f. 24.07.18 upto 26.08.19) (w.e.f. 30.12.19 upto 20.01.20) Director, (w.e.f. 21.01.20) - Chairman
Mr. Ram Subhag Singh (w.e.f. 24.07.18 upto 13.09.19) - Director
Mr. Ram Dass Dhiman (w.e.f. 21.01.20) - Director
Mr. Prabodh Saxena (w.e.f. 15.10.19 upto 30.12.19) (w.e.f. 21.01.20) - Director
Ms. Manisha Nanda (upto 23.07.18) - Director
Mr. Yunus (w.e.f. 15.10.19 upto 21.01.20) - Director
Mr. Vikramjit Singh Oberoi - Director
Mr. S. N. Sridhar - Company Secretary and Director
Mr. T. K. Sibal - Director
Mr. Arjun Singh Oberoi - Managing Director
Mr. Viresh S. Mathur - Independent Director (upto 22.01.20)
Mr. Shashank Bhagat - Independent Director (upto 22.01.20)
Mr. 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.
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)
Mercury Himalayan Explorations Ltd (upto 7.08.18)
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.*

35 (b)
Transactions with Related Parties for the year ended March 31, 2020

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	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
PURCHASES										
Purchase of goods and services										
EIH Limited	37.92	37.94	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.06	0.24	-	-	-	-
Mumtaz Hotels Limited	-	-	0.16	0.07	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	0.04	-	-
Mercury Car Rentals Private Limited	-	-	-	-	1.34	0.70	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	0.03	-	-	-	-
Total	**37.92**	**37.94**	**0.16**	**0.07**	**1.40**	**0.97**	**0.01**	**0.04**	**-**	**-**
EXPENSES										
Directors' sitting fees										
Mr. Arjun Singh Oberoi	-	-	-	-	-	-	-	-	0.12	0.20
Mr. Vikramjit Singh Oberoi	-	-	-	-	-	-	-	-	0.28	0.20
Mr. T.K. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr. S.N. Sridhar	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Viresh S.Mathur	-	-	-	-	-	-	-	-	0.16	0.16
Mr. Shashank Bhagat	-	-	-	-	-	-	-	-	0.24	0.20
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.12**	**1.08**
SALES										
Sale of goods and services										
EIH Limited	0.36	1.62	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.50	0.98	-	-	-	-
Mumtaz Hotels Limited	-	-	0.08	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	-	-	-
Mercury Travels Limited	-	-	-	-	-	0.02	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.56	-	-	-	-	-
Total	**0.36**	**1.62**	**0.08**	**-**	**1.06**	**1.00**	**0.01**	**-**	**-**	**-**
INCOME										
License agreement										
Mercury Car Rentals Private Limited	-	-	-	-	0.21	0.69	-	-	-	-
Total	**-**	**-**	**-**	**-**	**0.21**	**0.69**	**-**	**-**	**-**	**-**
PAYMENTS										
Refund of collections to related party										
EIH Limited	-	0.30	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.37	0.62	-	-	-	-
Mumtaz Hotels Limited	-	-	-	0.32	-	-	-	-	-	-
Total	**-**	**0.30**	**-**	**0.32**	**0.37**	**0.62**	**-**	**-**	**-**	**-**
Expenses reimbursed to related party										
EIH Limited	0.66	0.94	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	3.28	0.15	-	-	-	-
Mumtaz Hotels Limited	-	-	0.08	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.27	-	-
Total	**0.66**	**0.94**	**0.08**	**-**	**3.28**	**0.15**	**-**	**0.27**	**-**	**-**
RECEIPTS										
Recovery of collections by related party										
EIH Limited	0.73	0.37	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.75	0.31	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.42	0.19	-	-
Total	**0.73**	**0.37**	**-**	**-**	**0.75**	**0.31**	**0.42**	**0.19**	**-**	**-**
Expenses reimbursed by related party										
EIH Limited	0.84	1.81	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	2.34	0.11	-	-	-	-
Mumtaz Hotels Limited	-	-	0.01	0.01	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	0.28	-	-	-	-
Total	**0.84**	**1.81**	**0.01**	**0.01**	**2.34**	**0.39**	**0.01**	**-**	**-**	**-**

Notes to Financial Statements — *Contd.*

35 (c)
The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 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	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
PAYABLES										
For goods and services										
EIH Limited	4.52	1.73	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.33	0.01	-	-	-	-
Mumtaz Hotels Limited	-	-	0.08	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.79	0.84	-	-	-	-
Total	**4.52**	**1.73**	**0.08**	**-**	**1.12**	**0.85**	**-**	**-**	**-**	**-**
Advance towards equity										
EIH Limited	1,361.93	1,361.93	-	-	-	-	-	-	-	-
Total	**1,361.93**	**1,361.93**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RECEIVABLES										
For goods and services										
EIH Limited	0.39	0.97	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.20	0.14	-	-	-	-
Mumtaz Hotels Limited	-	-	-	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	-	0.09	-	-	-	-
Total	**0.39**	**0.97**	**-**	**-**	**0.20**	**0.23**	**-**	**-**	**-**	**-**

Notes to Financial Statements — *Contd.*

36 The Company had contingent liabilities at March 31, 2020 in respect of:

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

	March 31, 2020	March 31, 2019
		Rupees Million
i. Service Tax	**-**	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

37 Commitments

	March 31, 2020	March 31, 2019
		Rupees Million
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)	**1.24**	0.04

38 Leases

(i) Finance Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 -"Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended March 31, 2019.

On transition, the adoption of the new standard resulted in reclassification of Rs. 0.65 million from property, plant and equipment to right-of-use assets, reclassification of Rs. 0.18 million from other current financial liabilities to lease liabilities – current and reclassification of Rs. 0.52 million from non-current borrowings to lease liabilities – non-current. There has been no impact on the retained earnings due to application of the standard.

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

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

Lease liabilities recognised as at April 1, 2019	**0.70**
Of which are:	
Current lease liabilities	0.18
Non-current lease liabilities	0.52

Amount recognised in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases for the year ended March 31, 2020

Particulars	**Rupees Million**
Depreciation charge for the right-of-use assets (vehicle leases)	0.20
Interest expense	0.16
Expense relating to short-term leases (included in other expenses)	1.96
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	0.03

Notes to Financial Statements — *Contd.*

The total cash outflows for leases for the year ended March 31, 2020 was Rs. 0.18 million which were presented as part of cash flows from financing activities.

Following are the changes in the carrying value of right -of- use assets for the year ended March 31, 2020:	**Rupees Million**
Balance as of April 1, 2019	-
*Reclassified on adoption of Ind AS 116	0.65
Additions	-
Depreciation	0.20
Balance as of March 31, 2020	0.45

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under Ind AS 17- "Leases". The assets were presented in property, plant and equipment and the liabilities as part of the Company's borrowings and other financial liabilities.

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

	Rupees Million
Particulars	**As at March 31, 2020**
Current lease liabilities	0.21
Non-current lease liabilities	0.31
Total	**0.52**

The following is the movement in lease liabilities during the year ended March 31, 2020:

	Rupees Million
Particulars	**As at March 31, 2020**
Balance as of April 1, 2019	-
*Reclassified on adoption of Ind AS 116	0.70
Additions	-
Finance cost accrued during the period	0.16
Payment of lease liabilities	0.34
Balance as of March 31, 2020	**0.52**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	Rupees Million
Particulars	**As at March 31, 2020**
Less than one year	0.21
One to five years	0.31
More than five years	-
Total	**0.52**

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

(ii) Assets given on Operating Lease-Lessor

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

Notes to Financial Statements — *Contd.*

39 Segment Reporting

There are no reportable segments other than hotel as per Ind AS 108- "Operating Segment".
The Company does not have transactions of more than 10% of total revenue with any single external customer.

40 Earnings per equity share

		Rupees
	March 31, 2020	**March 31, 2019**
(a) Basic earnings per share	5.00	5.18
(b) Diluted earnings per share	5.00	5.18

		Rupees Million
(c) Reconciliations of earnings used in calculating earnings per equity share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	165.16	170.79
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	165.16	170.79

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

	March 31, 2020	**March 31, 2019**
	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

41 Reconciliation of Liabilities arising from financing activities

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

Rupees million

	As at March 31, 2019	Cash Flows	Non-cash Changes	As at March 31, 2020
Non-current borrowings (including current maturities of finance lease obligations)	5.70	-	(0.70)	5.00
Lease liabilities	-	(0.18)	0.70	0.52
Current borrowings	-	-	-	-
Total	**5.70**	**(0.18)**	**-**	**5.52**

	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**

Notes to Financial Statements — *Contd.*

42 Disclosure on Contract balances :

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

Advance from Customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 21).

		Rupees Million
	As at March 31, 2020	As at March 31, 2019
Particulars		
As at the beginning of the year	**5.77**	9.96
Recognised as revenue during the year	**5.77**	9.96
As at the end of the year	**5.22**	5.77

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

44 Disclosure Note : Impact of Covid-19 on Business Operations

The Company's priority in dealing with the exceptional challenges posed by COVID-19 is to ensure the safety of guests and employees, support suppliers and liaise with customers and keep the supply chain operational for essential supplies.

The consequences of the COVID-19 outbreak on the Company's business for the financial year ended March 31, 2020 have been limited, as business was impacted only in the latter half of the month of March 2020. Several cost rationalisation measures have also been initiated subsequent to the year end and are being monitored.

The Company, in these unpredictable times, is relatively insulated from the risk of a liquidity crisis owing to the availability of cash and cash equivalents and other bank balances (other than earmarked bank balances) amounting to Rs. 554.95 Million as on March 31, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of inventory, receivables and other current assets as on March 31,2020. The recoverable amount of the Cash Generating Unit (CGU) is estimated to be higher than the carrying amount of assets as on March 31, 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has considered internal and external information available up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of its assets as on March 31, 2020. The impact of COVID-19 may be different from that estimated on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

With respect to business in financial year ending March 31, 2021, the impact on revenue could come from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown and guests postponing their discretionary spending.Based on assessments performed and analysis of market trends, management is, however, of the view that travel is likely to resume after the lockdown is lifted. Renewed interest is especially seen amongst erstwhile outbound travellers, who may now be looking at travelling to domestic destinations in future, instead of travelling abroad. The revised projections for financial year ending March 31, 2021 have been prepared taking into account these factors, although a clearer picture shall emerge only in due course.

45 The financial statements were approved for issue by the Board of Directors on 18th May, 2020.

For and on behalf of the Board

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

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

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

Kallol Kundu
Chief Financial Officer

Shimla
18 May, 2020

OBEROI KERALA HOTELS AND RESORTS LIMITED

BOARD OF DIRECTORS

Mr. P. R. S. Oberoi	*upto 05.08.2019*
Mr. S. S. Mukherji	*upto 05.08.2019*
Mr. Vikramjit Singh Oberoi	*(w.e.f. 05.08.2019)*
Mr. Arjun Singh Oberoi	*(w.e.f. 05.08.2019)*
Mr. Sanjeev Kaushik	*(w.e.f. 05.08.2019)*
Mr. T. K. Sibal	
Mr. K.G. Nair Mohanlal	
Mrs. Rani George	

AUDITORS

Ray & Ray, Chartered Accountants
205, Ansal Bhawan, 2nd Floor
16, Kasturba Gandhi Marg
New Delhi 110 001

REGISTERED OFFICE

C-46-452 (H)
Bristow Road
Willingdon Island
Cochin 682 003
Kerala

CORPORATE OFFICE

7, Sham Nath Marg
Delhi 110 054

DIRECTORS' REPORT

The Members
Oberoi Kerala Hotels and Resorts Limited

The Board presents the Twenty Sixth Annual Report with the Audited Statement of Accounts and the Auditor's Report for the Financial Year ended on 31st March, 2020.

Financials

The Company has recorded a profit of ₹ 0.21 lacs during the Financial Year 2019-20 as against a profit of ₹ 0.89 lacs during the previous year. The accumulated losses as on 31st March, 2020 reduced to ₹ 80.79 lacs. This is being carried forward. There were no material changes affecting the financial position of the Company.

The global pandemic COVID-19 has engulfed the entire globe. The company does not foresee any impact of the COVID-19 situation on its financials nor does it foresee any impairment in the carrying value of the Company's assets.

Directors' Responsibility Statement

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

a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed and that there are no material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the loss of the company for that period;

c) the directors, to the best of their knowledge and ability, have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the Annual Accounts of the Company on a "going concern" basis; and

e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Meeting

During the year, the Company held four Board Meetings on 17th May 2019, 5th August 2019, 25th October 2019 and 6th January 2020. The attendance of the Directors in the meeting is as under:

Name of the Director	Number of Meetings Attended
Mr. Prithvi Raj Singh Oberoi*	1
Mr. Shib Sanker Mukherji*	Nil
Mr. T.K.Sibal	4
Ms. Rani George	1(1)
Mr. K.G. Mohanlal	3(1)
Mr. Vikramjit Singh Oberoi#	Nil
Mr. Arjun Singh Oberoi#	Nil
Mr. Sanjeev Kaushik#	Nil

( ) Number in bracket represent the meeting attended through Video Conferencing
** Mr. P.R.S. Oberoi and Mr. S.S. Mukherji ceased to be Directors w.e.f. 05.08.2019*
#Mr. Vikramjit Singh Oberoi, Mr. Arjun Singh Oberoi and Mr. Sanjeev Kaushik were appointed as Directors w.e.f 5thAugust 2019

Directors

As on 31st March 2020, the Company had six directors on the Board. During the year, EIH Limited had replaced its Nominee Directors on the Board of the Company by nominating Mr. Vikramjit Singh Oberoi (DIN:00052014) and Mr. Arjun Singh Oberoi (DIN:00052106) as Directors on the Board of the Company in the causal vacancy/ies caused due to the resignation of Mr. Prithvi Raj Singh Oberoi and Mr. Shib Sanker Mukherji. Accordingly, they were appointed on the Board on 5th August 2019. The Kerala Government appointed Mr. Sanjeev Kaushik (DIN: 02842527), IAS as its Nominee Director on the Board of the Company with effect from 5.08.2019. However, by letter GO (Rt) No.122/2020/Tourism dated 11.03.2020, the Kerala Government withdrew its nominee Mr. Sanjeev Kaushik and in his place Mr. Sanjay M Kaul IAS, Secretary (Finance Expenditure) has been nominated on the Board of the Company. On receipt of consent to act as a Director and other documents, Mr. Sanjay M Kaul will be appointed by the Board as a Director in the casual vacancy caused due to replacement/ resignation of Mr. Sanjeev Kaushik.

In accordance with Section 161(4) of the Act, the appointments of Mr. Vikramjit Singh Oberoi (DIN:00052014), Mr. Arjun Singh Oberoi and Mr. Sanjeev Kaushik appointed in the causal vacancy(ies) is required to be approved by the Shareholders at the next Annual General Meeting of the Company. However, since Kerala Government withdrew their nominee Mr. Sanjeev Kaushik before his appointment as a regular director at the Annual General Meeting, he is not being recommended by the Board for appointment as a regular Director. Mr. Vikramjit Singh Oberoi (DIN:00052014) and Mr. Arjun Singh Oberoi (DIN:00052106) will hold office as Director up to the date up to which Mr. Prithvi Raj Singh Oberoi and Mr. Shib Sanker Mukherji would have held, had they not vacated their office as Directors. The Board recommend the appointment of Mr. Vikramjit Singh Oberoi and Mr. Arjun Singh Oberoi, Directors as regular directors on the Board, liable to retire by rotation.

Mr. K.G. Mohanlal, Director retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. The Board recommend his re-appointment.

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 27 of the Financial Statement.

Subsidiaries Associates and Joint Ventures

The Company has no subsidiaries, associates or joint ventures.

Internal Financial Controls

The Company had adequate Internal Financial Controls for the size of the Company.

Non applicability of Company's compliance under provisions of Companies Act, 2013

Under the Companies Act, 2013, the Company does not qualify to comply with the following:

(i) Appointment of Key Managerial personnel;
(ii) Policy on Directors appointment and remuneration u/s 178 (3);
(iii) Risk Management policy;
(iv) Policy on CSR and CSR compliance;
(v) Whistle Blower Policy;
(vi) Board Evaluation process;
(vii) Internal Audit;
(viii) Secretarial Auditor;
(ix) Audit Committee;

(x) Appointment of Cost Auditors;
(xi) Nomination and remuneration Committee.

Auditors

At the 23rd Annual General Meeting of the Company held in year 2017, the members had approved the appointment of M/s Ray & Ray, Chartered Accountants (FRN 301072E) as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years.

Auditor's Report

The Auditor's observations, if any, on the accounts for the financial year ended 31st March 2020, has been explained suitably in the notes to the accounts.

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: 3rd June, 2020	VIKRAMJIT SINGH OBEROI	T.K. SIBAL
Place: New Delhi	*Director*	*Director*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2020

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.	INVESTOR SERVICE DIVISION C/O EIH LIMITED 7 SHAM NATH MARG DELHI - 110054

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)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% 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									

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.RANI GEORGE	1	-	NIL	1	-	NIL	NIL
8	KTIL JT. SHARMILA MARY JOSEPH	1	-	NIL	1	-	NIL	NIL
9	KTIL JT. K.G. MOHANLAL	1	-	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	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

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	NA	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	NA	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

For and on behalf of the Board

Date: 3rd June, 2020
Place: New Delhi

VIKRAMJIT SINGH OBEROI
Director

T.K. SIBAL
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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial matter.

Emphasis of Matter
We draw attention to the Note 4 (ii) to the Ind AS financial statements. The Company has not commenced any construction/operation of the hotel on the freehold land at Thekkady having a cost of 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 this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. During the course of our audit, we have nothing to report on these matter.

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

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

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

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

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

Management's Responsibility for the Ind AS Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the Balance Sheet, the statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e) on the basis of the written representations received from the directors of the Company as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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

Anil P. Verma
Partner
Membership no. 090408

Place: New Delhi
Date: 3rd June, 2020

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, 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anil P. Verma
Partner
Membership no. 090408

Place: New Delhi
Date: 3rd June, 2020

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Oberoi Kerala Hotels and Resorts Limited of even date).

(i) In respect of the Company's property, plant & equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company did not have any inventory during the year. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, guarantees and security in accordance of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Income Tax, Goods & Service Tax, Service Tax, Employees' State Insurance, Income-tax, Sales-tax/Value Added tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were outstanding, as at 31.03.2020 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues of Sale tax/ Value Added tax, Income-tax, Customs duty, Goods & Service Tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute.

(viii) The Company does have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.

(xi) Based on our examinations of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are generally in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

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

Anil P. Verma
Partner
Membership no. 090408

Place: New Delhi
Date: 3rd June, 2020

Balance Sheet
as at 31st March, 2020

₹ in Lacs

	Note	As at March 31, 2020	As at March 31, 2019
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	**0.23**	0.22
(ii) Cash and cash equivalents	7	**2.99**	0.71
(iii) Other financial assets	8	**19.04**	18.35
(b) Current tax Assets (net)	9	**0.56**	0.44
(c) Other current assets	10	**0.32**	0.51
Total current assets		**23.14**	20.23
Total Assets		**226.45**	223.54
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**272.00**	272.00
(b) Other equity	12	**(80.79)**	(81.00)
Total Equity		**191.21**	191.00
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Other Non Current Financial Liabilities	13	**11.40**	10.27
(b) Deferred Tax Liabilities (Net)	14	**0.29**	0.30
(c) Other Non Current Liabilities	15	**2.41**	3.48
Total non-current liabilities		**14.10**	14.05
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	16	**1.37**	0.84
(ii) Other Financial Liabilities	17	**17.20**	16.50
(b) Other Current Liabilities	18	**2.57**	1.15
Total current liabilities		**21.14**	18.49
Total Equity and Liabilities		**226.45**	223.54

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

ANIL P. VERMA
Partner
Membership Number 090408
Firm's Registration no. 301072E

VIKRAMJIT SINGH OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 3rd June, 2020

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Statement of Profit and Loss for the Year ended 31st March, 2020

₹ in Lacs

	Note	**Year Ended 31 March, 2020**	Year Ended 31 March, 2019
Other income	19	**8.56**	8.43
Total Income		**8.56**	8.43
Expenses			
Finance costs	20	**1.13**	1.02
Other expenses	21	**6.30**	5.40
Total Expenses		**7.43**	6.42
Profit before Tax		**1.13**	2.01
Tax Expense			
Current tax	22	**0.93**	1.11
Deferred tax	22	**(0.01)**	0.01
Profit for the year		**0.21**	0.89
Other Comprehensive Income		**-**	-
Total other comprehensive income/(loss) for the year, net of tax		**-**	-
Total comprehensive income for the year		**0.21**	0.89
Earnings per equity share - Basic (in Rupees)		**0.008**	0.033
Earnings per equity share - Diluted (in Rupees)		**0.008**	0.033

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

ANIL P. VERMA
Partner
Membership Number 090408
Firm's Registration no. 301072E

VIKRAMJIT SINGH OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 3rd June, 2020

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Statement of cash flows

	₹ In Lacs	
	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Cash flows from operating activities		
Profit before Tax	**1.13**	2.01
Adjustments for		
Rent Received	**(7.40)**	(6.99)
Finance costs	**1.13**	1.02
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**(0.01)**	(0.03)
Increase/(decrease) in trade payables	**0.53**	(0.07)
(Increase)/decrease in other financial assets	**(0.69)**	(1.71)
(Increase)/decrease in other current assets	**0.19**	(0.22)
Increase/(decrease) in other non current liabilities	**(1.07)**	(1.07)
Increase/(decrease) in other financial liabilities	**0.70**	1.53
Increase/(decrease) in other current liabilities	**1.42**	0.07
Cash generated from operations	**(4.07)**	(5.46)
Income taxes paid (net of refund)	**(1.05)**	(1.42)
Interest received on income tax refund	**-**	-
Net cash inflow from operating activities	**(5.12)**	(6.88)
Cash flows from investing activities		
Payments for property, plant and equipment		-
Rent Received	**7.40**	6.99
Net cash outflow from investing activities	**7.40**	6.99
Cash flows from financing activities		
Interest paid	**-**	-
Net cash used in financing activities	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	**2.28**	0.11
Cash and cash equivalents at the beginning of the year	**0.71**	0.60
Cash and cash equivalents at the end of the year	**2.99**	0.71

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

ANIL P. VERMA
Partner
Membership Number 090408
Firm's Registration no. 301072E

VIKRAMJIT SINGH OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 3rd June, 2020

S.N. SRIDHAR
Company Secretary

KALLOL KUNDU
Chief Financial Officer

Statement of changes in equity
for the Year ended 31 st March, 2020

	₹ in Lacs
A. Equity share capital	
Balance at April 1, 2018	272.00
Changes in equity share capital during the year	-
Balance at March 31, 2019	272.00
Changes in equity share capital during the year	-
Balance at March 31, 2020	272.00

B. Other equity

	Retained Earnings
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	**-**
Balance at March 31, 2019	**(81.00)**
Balance at April 1, 2019	**(81.00)**
Profit for the year	0.21
Other comprehensive income/(loss) for the year, net of tax	-
Total comprehensive income for the year	**0.21**
Balance at March 31, 2020	**(80.79)**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ray & Ray
Chartered Accountants

ANIL P. VERMA
Partner
Membership Number 090408
Firm's Registration no. 301072E

Place : New Delhi
Date : 3rd June, 2020

For and on behalf of the Board

VIKRAMJIT SINGH OBEROI
Director

T.K. SIBAL
Director

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, 2015 as 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.

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

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

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.

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

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.For an asset to be determined as low value, the Company has determined a threshold of Rs. 350,000.

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

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

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

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

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

To determine the incremental borrowing rate, the Company:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

Notes to Financial Accounts — *Contd.*

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

These lease payments comprise:

- Fixed payments (including in substance fixed payments) less any lease incentive receivable
- Variable lease payments that are based on an index or a rate and
- Payment of penalties for terminating the lease when the Company is reasonably certain to exercise the exit option at the lease commencement date.

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

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.

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

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

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

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 fromequity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method

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

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

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the company determines whether there has been a significant increase in credit risk.

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.

Notes to Financial Accounts — *Contd.*

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.

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 1st April, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. There is no impact of adoption of the standard on the financial statement.

n) Provisions, contingent liabilities and contingent assets

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

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

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

o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

p) Rounding of amounts

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

3

New standards / amendments effective April 1, 2019 and which have been adopted

Ind AS 116 - Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended March 31, 2019. There has been no impact on financial statements of the Company due to application of the standard.

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

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

The Company as a lessee:

The Company has entered into lease arrangements with Irrigation Department, Government of Kerala for construction of a jetty. This lease is for a period of one year and is cancellable in nature and may generally be terminated by either party by serving a notice.

Amount recognised in Statement of Profit and Loss

The Statement of Profit and Loss shows the following amount relating to leases for the year ended March 31, 2020

(In ₹ million)

Particulars	
Expense relating to short-term leases (included in other expenses)	1.89

The Company as a lessor

The Company has given 50 cents of land to EIH Ltd [Holding Company] and a facility for Jetty on operating lease arrangements. These leasing arrangements which are not non-cancellable are usually renewable on mutually agreeable terms. Lease income in respect of these are shown as Rental Income.

Ind AS 12, Income Taxes:

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

The Company has adopted Appendix C to Ind AS 12 –Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application of this amendment is Nil. The effect of adoption of this amendment in the current year is also Nil.

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) COVID-19 is a global pandemic which has engulfed the entire globe. The company's operations, however, are restricted to taking a boat jetty on lease from the Government of Kerala and giving it on lease to its Parent / Holding company. The Parent / Holding company, a hotel conglomerate having hotels spread across locations in India and overseas, has not expressed any intention to terminate the lease upto the date of signing of these financial statements. Similarly, the Government of Kerala has also not expressed any intention to terminate the lease till the signing of these accounts. Therefore, the company does not foresee any impact of the COVID-19 situation on its financials.

(ii) The company has not commenced any construction / operation of the hotel on the freehold land at Thekkady having a cost of 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. As such, the land has been shown under the head – "Property, Plant and Equipment". The fair value of the land, as determined by an independent valuer on 20th March 2020, which is admissible under Ind AS, being a date close to the balance sheet date, was far in excess of the carrying value. One of the shareholders has, during the year, written to the other shareholder, with a request to either (a) get the approval from the Government of Kerala for sale of land expedited; or (b) consider a discontinuance of the Joint Venture arrangement by either of the Joint Venture partners taking over the shares of the other Joint Venture partner based on a valuation of the company's assets by an expert. A response from the other shareholder is awaited upto the date of signing of these financial statements. The financial statements have been prepared on a going concern basis.

Notes to Financial Accounts — *Contd.*

5
PROPERTY, PLANT AND EQUIPMENT

₹ in Lacs

	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 on 31 March, 2019	As at April 1, 2018	For the Year	Less: Sales/ Adjust-ments	As at Mar 31, 2019	
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, 2020
	Balance as at 1 April 2019	Additions during the year	Sales/ adjustment during the year	Balance as on 31 March, 2020	As at April 1, 2019	For the Year	" Less: Sales/ Adjustments	As at Mar 31, 2020	
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 (2019 - ₹ Nil)

* Refer para (i) in Note 4

Notes to Financial Accounts — *Contd.*

6
TRADE RECEIVABLES
(Unsecured, Considered Good)

	As at March 31, 2020	As at March 31, 2019
		₹ in Lacs
Receivable from related parties - [EIH Limited - The Holding Company]	**0.23**	0.22
	0.23	0.22

7
CASH AND CASH EQUIVALENTS

Balances with banks		
Current account	**2.99**	0.71
	2.99	0.71

8
OTHER FINANCIAL ASSETS
(Unsecured, Considered Good)

Security Deposits	**19.04**	18.35
	19.04	18.35

9
CURRENT TAX ASSETS (NET)

Income Tax provision (net of advance tax)		
Opening balance	**0.44**	0.13
Current tax payable for the year	**(0.93)**	(1.11)
Refund received for prior periods	**(0.19)**	-
Taxes paid for the current year	**1.24**	1.42
	0.56	0.44

10
OTHER CURRENT ASSETS
(Unsecured, Considered Good)

Goods & Service Tax Adjustable	**0.32**	0.51
	0.32	0.51

Notes to Financial Accounts — *Contd.*

11
EQUITY SHARE CAPITAL

		₹ in Lacs
	As at March 31, 2020	As at March 31, 2019
AUTHORISED		
10,000,000 (2019 - 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 (2019 - 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, 2020		As at March 31, 2019	
	Number of shares	**Amount**	Number of shares	Amount
Number of shares at the beginning of the year	**2,720,007**	**272.00**	2,720,007	272.00
Add/Less: Movement during the year	**-**	**-**	-	
Number of shares at the end of the year	**2,720,007**	**272.00**	2,720,007	272.00

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

	As at March 31, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
EIH Limited	**2,176,000**	2,176,000

Notes to Financial Accounts — *Contd.*

12
OTHER EQUITY

		₹ in Lacs
	As at March 31, 2020	As at March 31, 2019
Reserves and Surplus		
Retained Earnings *	**(80.79)**	(81.00)
	(80.79)	(81.00)
*** Retained Earnings**		
Opening Balance	**(81.00)**	(81.89)
Add: Profit for the year as per Statement of Profit & Loss	**0.21**	0.89
	(80.79)	(81.00)

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)	**11.40**	10.27
	11.40	10.27

Notes to Financial Accounts — *Contd.*

14
DEFERRED TAX LIABILITIES (NET)

₹ In Lacs

	As at March 31, 2020	As at March 31, 2019
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	**0.29**	0.30
Total deferred tax liabilities (B)	**0.29**	0.30
Deferred tax liabilities (net) (B-A)	**0.29**	0.30

Movement in deferred tax liabilities

As at 31 March, 2018	**0.29**
(Charged)/Credited:	
- to profit and loss	**0.01**
As at 31 March, 2019	**0.30**
(Charged)/Credited to profit and loss *	**0.01**
As at 31 March, 2020	**0.29**

15
OTHER NON CURRENT LIABILITIES

Deferred Rent Income - Security Deposit Liability	**2.41**	3.48
	2.41	3.48

Notes to Financial Accounts — *Contd.*

16
TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
		₹ In Lacs
Trade payables	**1.37**	0.84
	1.37	0.84
Classification as required by Micro, Small and Medium Enterprises Development Act, 2006		
Total outstanding dues of micro enterprises and small enterprises	**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1.37**	0.84
	1.37	0.84

17
OTHER FINANCIAL LIABILITIES

Security Deposits (From EIH Limited - The Holding Company)	**17.20**	16.50
	17.20	16.50

18
OTHER CURRENT LIABILITIES

Deferred Rent Income - Security Deposit Liability	**1.07**	1.07
Statutory Liabilities	**0.14**	0.08
Other Liabilities	**1.36**	-
	2.57	1.15

Notes to Financial Accounts — *Contd.*

19
OTHER INCOME

₹ in Lacs

	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Rental Income [From related party - The Holding Company]	**7.40**	6.99
Rental Income on Security Deposit	**1.07**	1.07
Other gains/(losses) :		
(i) Provisions & liabilities no longer required, written back	**0.09**	0.37
	8.56	8.43

20
FINANCE COSTS

Interest Expense	**1.13**	1.02
	1.13	1.02

21
OTHER EXPENSES

Electricity & Water	**0.01**	0.01
Lease Rental	**1.89**	1.83
Legal & Professional	**1.00**	0.86
Rates & Taxes	**0.08**	0.05
Expenses for contractual services	**3.01**	2.32
Printing & Stationery	**-**	0.02
Passage & Travelling	**-**	0.01
Postage, Telephone, etc.	**0.01**	-
Auditors' Remuneration (Refer Note below)	**0.30**	0.30
	6.30	5.40

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

	Year Ended 31 March, 2020	Year Ended 31 March, 2019
		₹ In Lacs
(a) Tax expense		
Current tax		
Current tax on profits for the year	**0.93**	1.11
Total current tax expense	**0.93**	1.11
Deferred tax		
Decrease (increase) in deferred tax assets	**-**	-
(Decrease) increase in deferred tax liabilities	**(0.01)**	0.01
Total deferred tax expense	**(0.01)**	0.01
Total tax expense	**0.92**	1.12

* 2019 - ₹ 0.001 lacs

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before tax expense	**1.13**	2.01
Tax at the rate of 22.88% (F.Y. 2018-19 – 25.75%)	**0.26**	0.52
Tax effect of amounts which are not deductible in calculating taxable income:		
Others (Disallowed Expenses)	**0.69**	0.60
Rate change considered for deferred tax		
Rate change on movement during the year	**0.03**	-
Other differences		
Tax for earlier year charged to statement of Profit & Loss	**-**	-
Tax expense as per Income Tax	**0.92**	1.12

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

(b) On September 20, 2019, vide Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 1, 2019 subject to certain conditions. The Company has elected to exercise the option and the full impact of this change has been recognised in these financial statements. Provision for income tax for the year ended 31st March, 2020 and measurement of deferred tax liabilities has accordingly been done considering the reduced rate prescribed in the said section.

Notes to Financial Accounts — *Contd.*

23
FAIR VALUE MEASUREMENTS
Financial instruments by category

	As at March 31, 2020	As at March 31, 2019
	₹ In Lacs	
	Amortised cost	Amortised cost
Financial assets		
Trade Receivables (receivable from related parties)	**0.23**	0.22
Cash and cash equivalents	**2.99**	0.71
Security deposits - other financial assets	**19.04**	18.35
Total financial assets	**22.26**	19.28
Financial liabilities		
Other Non Current Financial Liabilities - Security Deposits (From EIH Ltd - The Holding Company)	**11.40**	10.27
Trade payables	**1.37**	0.84
Other Financial Liabilities - Security Deposits (From EIH Ltd - The Holding Company)	**17.20**	16.50
Total financial liabilities	**29.97**	27.61

Fair value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.) derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). However, the company does not have any financial asset/liability which is measured at fair value on the reporting date.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

1) The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

2) Security deposit have been amortised using the assumption that market participants would use when pricing the cost of liability, assuming that market participants act in their economic best interest. The amortisation has been done in accordance with market rate.

24
FINANCIAL RISK MANAGEMENT
The company's activities expose it to market risk, liquidity risk and credit risk.

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Trade Receivables - Follow up with the Holding Company Financial Assets - Periodic ageing review by the management
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of sufficient liquid funds (Cash and Bank Balance)
Market risk – security prices	Company does not have investment in market quoted securities. Therefore company is not exposed to market price risk		

Company's risk management is carried out by senior management team. The risk management includes identification, evaluation and identifying the best possible option to reduce such risk.

Notes to Financial Accounts — *Contd.*

(A) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposures to outstanding receivables.

Credit risk management

Credit risk is managed on a Company basis.

For financial assets, the Company does not have a history of significant credit loss. Accordingly, Company identifies and evaluate credit risk on case to case basis. On the basis of past experience if the Company believes there are chances of expected default, then Company specifically provides for such expected losses.

For trade receivables Company has decided to provide loss allowance for lifetime credit loss on the basis of expected credit loss model. However, as per Company's past collection history, credit risk (default risk and delay risk) are insignificant. As per the past practice, Company's trade receivables are generally collected within the acceptable credit period. In some instances, there is a practice of delay in receipt of payment, however the quantum of same is insignificant in comparison to the total trade receivables. Therefore, no loss allowance has been provided by the Company on trade receivables under Ind AS.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. However, the Company has a past practice of maintaining sufficient liquidity (Cash and Bank Balance) to meet its obligation. Further, the Company does not have significant debt liability outstanding. Therefore, Company does not maintain any committed credit facilities or borrowing to mitigate liquidity risk as the same is insignificant as per the Company's current capital structure.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities in terms of relevant maturity based on their contractual maturities for all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months is equal to their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities: ₹ In Lacs

	Not later than 1 year	**Between 1 and 5 years**	**Later than 5 years**	**Total**
31 March 2020				
Non-derivatives Security Deposits (from EIH Ltd - the Holding Company) - Current	17.20	Nil	Nil	17.20
Security Deposits (from EIH Ltd - the Holding Company) - Non Current	Nil	Nil	11.40	11.40
Trade payables	1.37	Nil	Nil	1.37
Total non-derivative liabilities	18.57	-	11.40	29.97
Contractual maturities of financial liabilities:				₹ In Lacs
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	0.84	Nil	Nil	0.84
Total non-derivative liabilities	17.34	-	10.27	27.61

(C) Liquidity risk

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

Notes to Financial Accounts — *Contd.*

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

26
Related Party Disclosures

26.1 List of Related Parties

Key Management Personnel of the Company and its Parent Company
Ms. Rani George - Director of the Company
Mr. K.G. Mohanlal - Director of the Company
Mr. Sanjeev Kaushik - Director of the Company
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
Oberoi Mauritius Ltd.
Island Resort Ltd.

Entities with Joint Control or significant influence
Oberoi Hotels Private Limited
Oberoi Properties Private Limited
Oberoi Holdings Private Limited
Oberoi Investments Private Limited
Oberoi Buildings and Investments Private Limited
Oberoi Plaza Private Limited
Oberoi Leasing and Finance Company Private Limited
Bombay Plaza Private Limited
Oberoi International LLP
Aravali Polymers LLP

Notes to Financial Accounts — *Contd.*

Oberoi Holdings Hong Kong Limited
Vikramaditya Exports Private Limited
Oberoi Investments (BVI) Ltd., British Virgin Islands
Oberoi Services International Ltd
Oberoi Services Pte. Ltd., Singapore
Oberoi Holdings (Singapore) Pte. Ltd.
Komensi Pty Ltd.
Oberoi Hotels (Australia) Pty Ltd.
Saudi Oberoi Company Ltd., Saudi Arabia
La Roseraie De L'atlas SA, Morocco
Bhagwanti Oberoi Charitable Trust
Ishran Devi Oberoi Family Trust
Oberoi Foundation

Joint Venture Partner
Kerala Tourism Infrastructure Limited
(formerly known as Tourist Resorts (Kerala) Limited)

Ms. Rani George
Kerala Tourism Development Corporation Ltd, Director
Kerala Tourism Infrastructure Ltd, Director
Bekal Resorts Development Corporation Ltd, Director
Kerala State Films Development Corporation, Director
Taj Kerala Hotels and Resorts Ltd, Director
Vision Varkala Infrastructure Development Corporation Ltd, Director
Muziris Project Ltd, Director

Mr. K.G. Mohanlal
Kerala Tourism Infrastructure Limited, Chairman and Managing Director
Taj Kerala Hotels and Resorts Ltd, Director

Mr. Sanjeev Kaushik
Kerala Industrial Infrastructure Development Corporation Ltd, Director
Kerala State Industrial Development Corporation Ltd, Director
Malabar Cements Limited, Director
Kerala Tourism Development Corporation Ltd, Director
Kerala Financial Corporation, Director
Kerala Tourism Infrastructure Ltd, Director
Taj Kerala Hotels and Resorts Ltd, Director
Kerala State Beverages Corporation (Manufacturing and Marketing) Ltd

26.2 The details of the related parties transactions entered into by the Company during the year ended March 31, 2020 and March 31, 2019 are as follows :

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
INCOME						
License Agreement						
EIH Limited	8.47	8.06	-	-	-	-
Total	**8.47**	**8.06**	**-**	**-**	**-**	**-**
RECEIPTS						
Security Deposit						
EIH Limited	**0.70**	**1.53**	**-**	**-**	**-**	**-**
Total	**0.70**	**1.53**	**-**	**-**	**-**	**-**

Notes to Financial Accounts — *Contd.*

26.3 The details of amounts due to or due from related parties (unamortised) as at March 31, 2020 and March 31, 2019 are as follows:

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture of Parent Company	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
PAYABLES						
Security Deposit						
EIH Limited	33.20	32.50	-	-	-	-
Total	33.20	32.50	-	-	-	-
RECEIVABLES						
For Goods & Services						
EIH Limited	0.23	0.22	-	-	-	-
Total	0.23	0.22	-	-	-	-

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

27

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

28
Offsetting financial assets and financial liabilities
No offsetting has been done by the Company.

29
Assets pledged as security
No asset has been pledged by the Company.

30
Contingent Liabilities and Commitments
There are no contingent liabilities and capital commitments.

31
EARNINGS PER SHARE

₹ In Lacs

	Year Ended 31 March, 2020	Year Ended 31 March, 2019
(a) Basic and diluted earnings per share attributable to the equity holders of the Company	**0.008**	0.033
(b) Profit attributable to the equity holders of the Company used in calculating basic and diluted earnings per share:	**0.21**	0.89
(c) Weighted average number of shares used as the denominator		
	31 March, 2020 Number of shares	31 March, 2019 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	**27,20,007**	27,20,007
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	**27,20,007**	27,20,007

Notes to Financial Accounts — *Contd.*

32
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 3rd June, 2020.

For and on behalf of the Board

VIKRAMJIT SINGH OBEROI
Director

T.K. SIBAL
Director

Place : New Delhi
Date : 3rd June, 2020

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

Ocorian Corporate Administrators Limited
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 2020.

PRINCIPAL ACTIVITES

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

REVIEW OF THE BUSINESS

The Company's loss for the year is Rs 18,645,268 (2019 – (Restated) Loss of Rs 11,654,281).
The Directors do not recommend the payment of a dividend for the year under review (2019 – Rs Nil).

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The financial statements of the Company for the year ended 31 March 2020 are set out on pages 210 to 249. The independent auditor's report on these financial statements is on pages 202 to 205.

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:

	2020	2019
	Rs.	Rs.
Audit	**480,000**	450,000
Tax compliance services	**110,000**	110,000
Other services	**287,000**	92,000
	877,000	652,000

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 06 May 2020

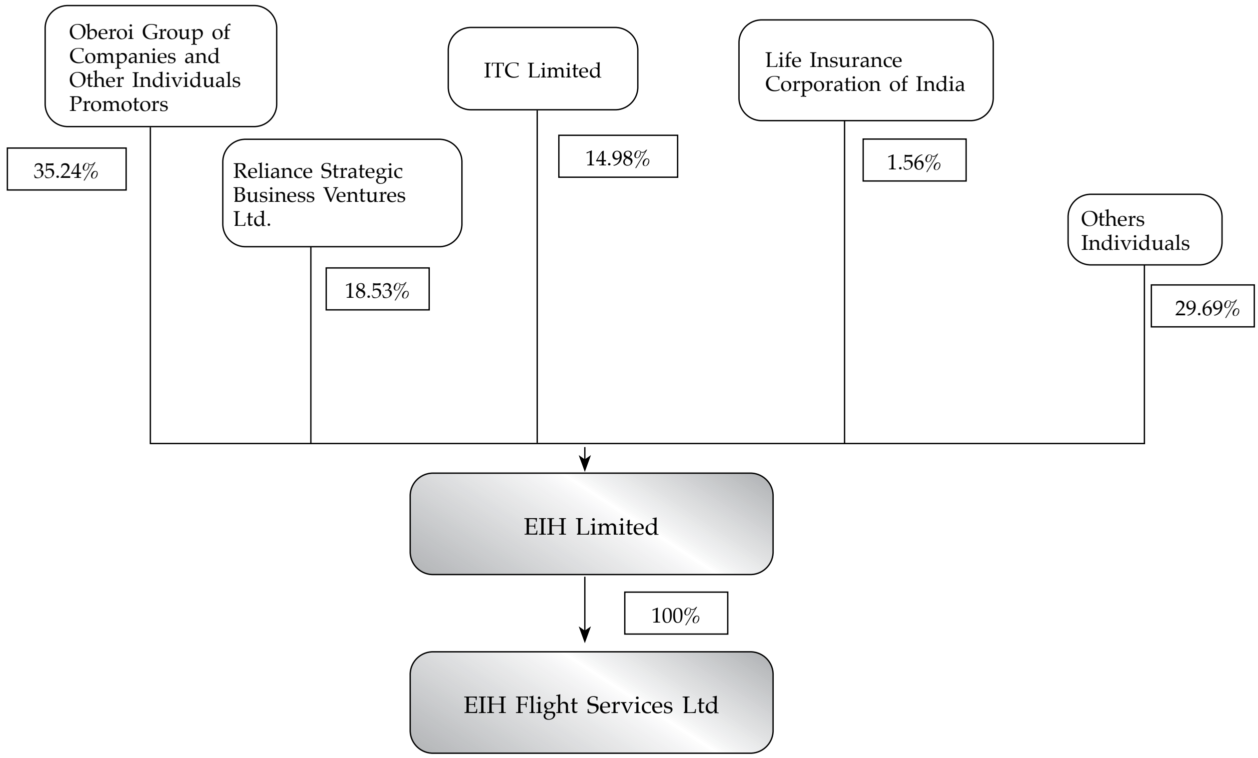
and signed on its behalf by:

Zafar Siamwala
Veronique Magne-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. Prithiviraj 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 Prithiviraj 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 2020.

Corporate Governance Report *(Continued)*

DIVIDEND POLICY

There is no formal dividend policy in place as the Company has not been in a financial position to distribute dividends since the start of its operations.

BOARD OF DIRECTORS

The Board is comprised of four Directors.

The following Directors held office during the year ended 31 March 2020 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 of The Oberoi Group. He was educated in India, the United Kingdom and Switzerland. Mr. Oberoi graduated with a degree in Hospitality from the University of Lausanne, Switzerland.

Mr. Oberoi has been instrumental in pioneering the development of the new Oberoi hotels and resorts. The "Oberoi" brand has come to represent fine luxury hotels.

Mr. Oberoi was awarded the 'Padma Vibhushan', India's second highest civilian honour, in recognition of his exceptional service to the country in 2008.

In September 2009, Mr. Oberoi received the Lifetime Achievement Award at the first Economic Times TAAI Travel Awards 2009.

Mr. Oberoi was presented with the '2010 Corporate Hotelier of the World' award by HOTELS magazine in November 2010. Mr. Oberoi has over 60 years' experience in the hospitality industry.

Mr. Shib Sanker Mukherji (appointed on 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 48 years of working experience in the hospitality industry. He was appointed as Deputy Managing Director in 1998, then promoted as Managing Director. He was Vice Chairman and CEO of EIH Limited from 2013 to March 2015. Mr Mukherji is now the Executive Vice Chairman of EIH Limited since 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 over 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 Véronique 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. Véronique 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 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 OCORIAN (Previously known as Abax Corporate Services Ltd) in January 2009. She has experience in delivering services both to domestic and Global Business companies.

MEETINGS HELD IN 2019/2020

The Board met four times during the year from 01 April 2019 to 31 March 2020.

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 Véronique 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 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.

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 2020 (2019 - Nil).

Corporate Governance Report *(Continued)*

POLITICAL DONATIONS

The Company did not make any political donations during the year ended 31 March 2020 (2019 – Nil).

SOCIAL, ETHICAL, SAFETY, HEALTH AND ENVIRONMENTAL ISSUES

The Company has the following policies in place:

1. Occupational Health and Safety Policy

The objective of the Occupational Health and Safety Policy is to give practical advice on how to reduce health and safety risks associated with Operation work. It summarises employers' responsibilities and provides a checklist for employers and staff themselves.

2. Food Safety Policy

The Company is committed to deliver Quality Food that is tasty, appealing, and safe and of the highest hygiene standards to its clients on time. The Company continuously strives to improve its Supply Chain Management, Food Safety Management System and Hazard Analysis and critical control point (HACCP) System by adopting the latest Technology and respecting the International Standards.

The Company improves the skills and competency of its employees by training and developing its team members.

3. Environment Policy

The Oberoi Group sees itself as an organisation which is committed to the environment by using natural products and recycled items thus ensuring proper use of diminishing natural resources.

The Company is committed to continually improve the environment by:

(a) Optimising the usage of resources such as energy, effluent treatment of water.

(b) Enhancing the practice of awareness amongst its suppliers and employees and minimising its carbon foot print.

(c) Providing a hygienic and safe working environment within its premises and also maintaining and increasing the greenery within and around its premises.

(d) Implementing Rain Water Harvesting Technology and using Solar energy in its premises.

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

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.

Corporate Governance Report *(Continued)*

IMPORTANT EVENTS

The Calendar for the year ending 31 March 2021 is as follows:

	Events	Dates
1.	Quarterly Board meetings	April 2020 July 2020 October 2020 January 2021
2.	Annual Meeting	April 2020

Authorised for issue by the Board of Directors on 06 May 2020 and signed on its behalf by:

Zafar Siamwala
Veronique Magne-Antoine — *Directors*

SECRETARY'S REPORT

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

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2020, all such returns as are required of the Company under the Mauritian Companies Act 2001.

OCORIAN CORPORATE ADMINISTRATORS LIMITED
COMPANY SECRETARY OF EIH FLIGHT SERVICES LTD

Date: 6 May 2020

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 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of EIH Flight Services Ltd set out on pages 16 to 59 comprise:

- the statement of financial position as at 31 March 2020;
- 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code").We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Material Uncertainty related to Going Concern

We draw attention to the Note 2 of the financial statements, which shows that:

1. The Company made a loss of Rs 18,645,268 during the year ended 31 March 2020 and as of that date, it had a net current liability of Rs 68,214,385 and a shareholder's deficit of Rs 16,738,532.
2. The Company will be impacted by the COVID-19 pandemic during the year ending on 31 March 2021 such that:

Independent Auditor's Report *(Continued)*

- there is an estimated 33% reduction in revenue;
- some of the planned cost savings initiatives are in the early stages and require discussions with third parties;
- to ease the burden on cash flows, the Company expects the lender to waive (approval still pending) principle loan repayments up to at least March 2022; and
- continued financial support is expected from the parent company notwithstanding the uncertainties relating to the COVID-19 pandemic.

These conditions, along with the other matters explained in Note 2 of the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Company's performance and going concern status. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, the corporate governance report and the secretary's certificate but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

Independent Auditor's Report *(Continued)*

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Pricewaterhouse Coopers

Johanne How Cho Hee, licensed by FRC

06 May 2020

Statement of Comprehensive Income for the year ended 31 March 2020

(Expressed in Mauritian Rupees)

	2020 Rupees	2019 Rupees Restated*
Revenue from contracts with customers (Note 5)	**251,399,034**	272,411,837
Cost of Sales	**(134,446,441)**	(139,124,433)
Gross Profit	**116,952,593**	133,287,404
Administrative expenses	(117,545,531)	(124,412,713)
Operating (loss)/ profit (Note 6)	**(592,938)**	8,874,691
Finance costs - Net (Note 8)	**(27,477,426)**	(27,811,319)
Loss before income tax	**(28,070,364)**	(18,936,628)
Income tax credit (Note 9)	**9,425,096**	7,282,347
Loss for the year	**(18,645,268)**	(11,654,281)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefits obligations (Note 20(d))	**373,000**	203,000
Total other comprehensive income for the year	**373,000**	203,000
Total comprehensive income for the year	**(18,272,268)**	(11,451,281)

*Certain amounts shown here do not correspond to the 2019 audited financial statements and reflect adjustments made, refer to Note 27.

The notes to the financial statements on pages 210 to 249 are an integral part of these financial statements.

Statement of Financial Position as at 31 March 2020

	31 March 2020 Rupees	31 March 2019 Rupees	01 April 2018 Rupees
ASSETS		**Restated***	**Restated***
Non-Current Assets			
Property, plant and equipment (Note 11)	**304,593,587**	324,501,395	349,068,534
Deferred income tax asset (Note 10)	**21,299,959**	11,874,863	4,592,516
Right-of-use assets (Note 12)	**157,548,161**	-	-
	483,441,707	336,376,258	353,661,050
Current Assets			
Inventories (Note 13)	**5,834,398**	5,693,868	6,895,390
Trade and other receivables (Note 14)	**33,976,854**	43,707,379	42,631,930
Cash in hand and at bank (Note 15)	**263,849**	3,176,416	2,433,290
	40,075,101	52,577,663	51,960,610
Total Assets	**523,516,808**	388,953,921	405,621,660
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share Capital (Note 16)	**690,440,060**	690,440,066	690,440,066
Accumulated losses	**(708,027,592)**	(689,382,324)	(677,728,043)
Other reserves (Note 17)	**849,000**	476,000	273,000
(Shareholder's deficit)/ Total equity	**(16,738,532)**	1,533,742	12,985,023
Liabilities			
Non-Current Liabilities			
Borrowings (Note 19)	**428,310,854**	312,346,554	205,758,585
Retirement benefits obligations (Note 20)	**3,655,000**	2,768,000	2,366,000
	431,965,854	315,114,554	208,124,585
Current Liabilities			
Trade and other payables (Note 18)	**52,980,478**	48,557,975	61,010,319
Borrowings (Note 19)	**50,694,858**	23,747,650	123,501,733
Bank Overdraft (Note 15)	**4,614,150**	-	-
	108,289,486	72,305,625	184,512,052
Total Liabilities	**540,255,340**	387,420, 179	392,636,637
Total Equity and Liabilities	**523,516,808**	388,953,921	405,621,660

*Certain amounts shown here do not correspond to the 2019 audited financial statements and reflect adjustments made, refer to Note 27.

Authorised for issue by the Board of directors on 06 May 2020
and signed on its behalf by:

Zafar Siamwala
Veronique Magne-Antoine
Directors

The notes to the financial statements on pages 210 to 249 are an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2020

(Expressed in Mauritian Rupees)

	Share Capital Rupees	Accumulated Losses Rupees	Other Reserves Rupees	Total Rupees
At 01 April 2018 (as previously reported)	**690,440,066**	**(755,381,242)**	**273,000**	**(64,668,176)**
Adjustment on correction of error (Note 27)	-	77,653,199	-	77,653,199
At 01 April 2018 (restated*)	**690,440,066**	**(677,728,043)**	**273,000**	**12,985,023**
Loss for the year (restated*)	-	(11,654,281)	-	(11,654,281)
Other comprehensive income for the year	-	-	203,000	203,000
Total comprehensive income for the year	-	(11,654,281)	203,000	(11,451,281)
At 31 March 2019	**690,440 ,066**	**(689,382,324)**	**476,000**	**1,533,742**
Transaction with owners of the Company:				
Adjustments to stated capital	(6)	-	-	(6)
Loss for the year	-	(18,645,268)	-	(18,645,268)
Other comprehensive income for the year	-	-	373,000	373,000
Total comprehensive income for the year	-	(18,645,268)	373,000	(18,272,268)
At 31 March 2020	**690,440,060**	**(708,027,592)**	**849,000**	**(16,738,532)**

*Certain amounts shown here do not correspond to the 2019 audited financial statements and reflect adjustments made, refer to Note 27.

The notes to the financial statements on pages 210 to 249 are an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2020

(Expressed in Mauritian Rupees)

	2020 Rupees	2019 Rupees Restated*
Cash flow from operating activities		
(Loss)/ profit before income tax	**(28,070,364)**	(18,936,628)
Adjustments for non-cash items:		
Depreciation on property, plant and equipment (Note 11)	**20,453,182**	26,741,191
Depreciation on Right-of-use assets (Note 12)	**5,863,598**	-
Unrealised exchange loss	-	22,078
Interest expense (Note 8)	**27,212,479**	19,262,837
Increase in retirement benefits obligations (Note 20 (c))	**1,391,000**	605,000
Extinguishment loss arising on loan modification	-	8,717,500
Write off property, plant and equipment (Note 11)	-	166,355
Adjustment to stated capital (Note 16)	**(6)**	0
Operating profit before working capital changes	**26,849,889**	36,578,333
(lncrease)/decrease in inventories	**(140,530)**	1,201,522
(lncrease)/decrease in trade and other receivables	**9,730,525**	(1,075,449)
lncrease/(decrease) in trade and other payables	**4,422,503**	(12,452,344)
Employer contribution for retirement benefits obligations (Note 20(a))	**(131,000)**	**-**
Net cash generated from operating activities	**40,731,387**	**24,252,062**
Cash flow from investing activities		
Payment for purchase of property, plant and equipment (Note 11)	**(545,374)**	(2,340,407)
Net cash used in investing activities	**(545,374)**	**(2,340,407)**
Cash flow from financing activities		
Payment on lease liabilities (Note 19(b))	**(9,466,441)**	(2,173,813)
Interest paid on bank borrowings (Note 19(a))	**(15,746,289)**	(18,994,716)
Repayment of bank borrowings (Note 26)	**(22,500,000)**	**-**
Net cash used in financing activities	**(47,712,730)**	**(21,168,529)**
Net increase/(decrease) in cash and cash equivalents	**(7,526,717)**	743,126
Cash and cash equivalents at beginning of year	**3,176,416**	2,433,290
Cash and cash equivalents at end of year (Note 15)	**(4,350,301)**	3,176,416

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

*Certain amounts shown here do not correspond to the 2019 audited financial statements and reflect adjustments made, refer to Note 27.

The notes to the financial statements on pages 210 to 249 are an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 March 2020

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

As at 31 March 2020, the Company was in a shareholder's deficit position of **Rs 16,738,532** (2019 – (Restated) Total equity of Rs 1,533,472), in a net current liability position of **Rs 68,214,385** (2019 - Rs 19,727,962) and for the year ended 31 March 2020, the Company has incurred a loss of **Rs 18,645,268** (2019 – (Restated) Loss of Rs 11,654,281).

However, for the year ended 31 March 2020, the Company has generated net cash inflows of **Rs 40,731,387** (2019 - Rs 24,252,062) from its operations and has a bank overdraft facility of **Rs 25,000,000** to meet its day-to-day working capital requirements. At 31 March 2020, the overdraft balance was **Rs 4,614,150** (2019 – Rs Nil).

The Directors have also considered the implications of the global outbreak of the corona virus ("COVID-19") on its activities and financial performance. COVID-19 has raised a number of uncertainties due to the judgement required to estimate the extent to which this pandemic will persist and its related impact on international travel and viability of the Company's main clients, i.e. the airlines.

The Directors are of the opinion that the financial statements may be prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future, due to the following reasons:

1. Projections

   <u>Revenue</u>

   - For the year ending on 31 March 2021, the directors have projected a revenue reduction of

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

31%. The key drivers for the revenue forecasted are as follows:

	Q1' 2021	Q2 '2021	Q3' 2021	Q4' 2021
Revenue (thousand meals)	100	275	400	500
Revenue (Rs'm)	13	36	57	66
% decrease compared to last year	80%	50%	20%	10%

- The Directors' monthly revenue forecast is based on the assumption that there is almost no passenger traffic for the first two months of FY 2021 and partial resumption in June 2020. With the tourism peak season of Mauritius starting in October annually, the Directors have forecasted a gradual increase in the number of meals served as from Q2'2021 onwards.
- The Directors consider its revenue forecast to be in line with the predictions published by the World Tourism Organisation for 2020, which refers to a potential 30% year-on-year drop in passenger traffic in the upcoming year.
- The Directors are pursuing different options for the Company to achieve its future revenue targets as follows:
  - The Directors are in negotiation for a new significant contract with an airline, scheduled to start in the latter part of FY 2021. This contract has not been catered for in the forecast for FY 2021 as formalisation of the contract will occur in Q2'2021; and
  - The Directors have also been considering diversifying its revenue generating activities in order to maximise the use of its non-current assets, including the preparation of school meals, and has obtained interest from third parties for the supply of frozen meals. Due to this assessment being ongoing, the Directors have been conservative and not included these in its financial forecast.

Costs

For the year ending on 31 March 2021, the directors have projected a reduction in direct (e.g. food costs and levies calculated as a percentage of revenue) costs and other operating costs of 33% and 30% respectively. The reduction in direct costs is in line with the reduction in revenue. For other operating costs, cost savings initiatives under review by the Directors currently are:

a. The Company currently employs many casual workers through third-party contracts that account for up to Rs 15 million of their total payroll costs annually. The Directors have decided to reduce the number of casual workers employed through these contracts in line with demand. The Company is invoiced based on the actual number of casual workers engaged on a monthly basis and hence, no financial obligation arises when no casual workers are required.

b. The Directors are also considering converting current full-time employees into part-time employees, based on their expected level of activities in the upcoming months. This is in the early stages of consideration.

c. With the measures implemented by the Government of Mauritius to help the economy, the Company expects to receive an employee subsidy grant of up to Rs 3.5 million for the lock-down period, with Rs 2 million already received in April 2020.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

d. Property-related expenses, such as utility or maintenance costs are also expected to drop by up to Rs 5 million due to the property being vacant for the most part of the first three months of FY 2021 and lower level of activities for the rest of the year.

e. The Company is expected to benefit from initiative for bulk purchase of certain specific materials that commenced in Fy 2020. Bulk purchases are made as part of the Oberoi Group in Mauritius. In some instances, the Company has experienced discounts of up to 50%.

Liquidity

a. During the year ended 31 March 2020, the Company generated Rs 41 million of operating cash flows to finance its activities. The Company has reassessed its cash flow forecasts on a monthly basis for the forthcoming financial year and predicts that it will close FY 2021 within its overdraft limit of Rs 25 million. This is based on the assumption of an average debtors' period of 60 days and a creditors' period of 120 days. This is more conservative than the last two years, as debtors have been settling their invoices within a one-month period.

b. On a month-on-month basis, the Company expects that the overdraft limit will be exceeded, particularly once confinement is over, in order to be able to meet immediate cash outflows. The Directors will rely on a cash flow injection of at least Rs 20 million at the end of the first quarter for this purpose from the parent company.

c. As per note 4 of the financial statements, the Company will need to make instalments payments on its borrowings, including Rs 64m by 31 March 2021. The Company is in discussion with the bank to renegotiate the terms of the loans, including a capital moratorium. However, the final details are expected to be agreed in May 2020, once the confinement period is over. The parent company (EIH Limited) is the corporate guarantor for the loan contract. The Directors are of the view that if the Company is unable to honor loan repayment obligations, the parent company will provide financial support.

2. Supply chain

The Directors do not forecast any disruption of the supply chain given that current stocks will allow for 6 months' worth of operations and any additional stocks of fresh produce required may be sourced locally.

3. Financial support from EIH Limited

a. The Company is a subsidiary of EIH Limited, which is part of the wider Oberoi Group, and continual financial support has been provided by its parent to the Company, whenever required, since the start of operations.

b. The parent company has provided a letter of support, to confirm that financial support will still be provided for the foreseeable future.

c. At 31 March 2019, the parent company has undrawn banking facilities of INR 2.5 billion. And a gearing ratio of about 15%.

d. The ability of the parent company to provide support has considered the potential adverse impact of the COVID-19 pandemic.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

While the Directors acknowledge that there is a certain degree of uncertainty surrounding COVID-19, the Directors are comfortable that the Company will continue into operations for at least the next twelve months and as such, the financial statements can be prepared on the going concern basis.

(ii) Changes in accounting policy and disclosures

New and amended standards

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

<u>IFRIC 23 Uncertainty over Income Tax Treatment</u>

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgements made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The interpretation had no impact on the Company's financial statements.

<u>IFRS 16 Leases</u>

The Company applied IFRS 16 with a date of initial application of 01 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 01 April 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to the contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 01 April 2019.

A. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 or IAS 17. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, the Company applied IFRS 16 to contracts that were previously issued as lease. Therefore, the definition of a lease under IFRS 16 was applied to the contracts entered into or changed on or after 01 April 2019.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

B. As a lessee

As a lessee, the Company previously classified leases as operating leases based on its assessment of since the lease did not transfer significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for such leases – i.e. these leases are on-balance sheet.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 01 April 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Company has recognised a lease liability at the date of initial application for lease previously classified as operating lease applying IAS 17. The lessee has measured that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application i.e. 1 April 2019. The Company has chosen to measure right-of-use at an amount equal to lease liability after adjusting the amount for accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application and therefore there is no adjustment to the opening retained earnings balance.

C. Impacts on financial statements

On transition to IFRS 16, the Company recognised **Rs 163,411,759** of right-of-use assets lease liabilities on 01 April 2019.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 01 April 2019. The rate applied is **6.89%.**

New standards, amendments and interpretations issued but not yet effective

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

There are no other standards, amendments and interpretations that are not yet effective 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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

(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.

Foreign exchange gains and losses are presented in the statement of comprehensive income within 'Finance costs - Net'.

Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

The annual rates used are:

Buildings on leasehold land	3.33%
Furniture, fittings and other equipment	3.00% to 10.00% (Previously 15.00%)
Office equipment	33.00%
Motor vehicles	20.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

During the year under review, the useful life of furniture, fitting and other equipment was reviewed by an independent expert who advised that the typical lifespan of the assets acquired by the Company varies usually from 10 to 30 years due to the higher quality of these equipment (previously determined at approximately 6 to 7 years). Thus, the annual rate of depreciation has changed from 15.00% to rates varying between 3.00% to 10.00%. This indicates that the depreciation rate applied by the Company upon the acquisition of these assets of 15.00% was overstated.

According to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a change in accounting estimates is accounted for prospectively, while an error or a change in accounting policies are accounted for retrospectively. The typical lifespan indicated by expert is the useful life that should have determined on day 1 of acquisition of each asset, assuming full capacity. Thus, the impact of the above-noted difference has been adjusted for retrospectively which means that the entity should implement the change in useful life 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.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Average Cost (AVCO) Method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(a) Classification and initial measurement

The Company classifies its financial assets in the following measurement categories, as set out in IFRS 9:

- those to be measured subsequently at fair value (either through Other Comprehensive Income ('OCI') or through profit or loss), and;
- those to be measured at amortised cost.

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

(b) Subsequent measurement

Debt instruments

The Company classifies its debt instruments as follows:

- Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Company's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents:

Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected credit losses.

Cash and cash equivalents

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

The Company's cash and cash equivalents include cash in hand and at bank, net of bank overdrafts. Bank overdrafts are shown under current liabilities on the statement of financial position.

(c) Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The financial assets of the Company that are subject to the expected credit loss model are trade receivables arising from provision of catering services.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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

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

Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

During the year ended 31 March 2019, the Company had 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 had 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 had been extended from June 2020 to June 2024.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

Under IFRS 9, as the change in denomination and maturity led to a substantial modification of the terms of the existing loan, this refinancing was accounted for an extinguishment of the old debt instrument with gain or loss recorded in profit or loss. Terms of the loan were 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 had been exceeded and hence, the existing loan had 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 had been derecognised and new loan of Rs 333,000,000 had been booked as at 31 March 2019.

(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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments, non-financial assets are reviewed for possible reversal at each reporting date.

Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

Policy applicable from 01 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applied to contracts entered into, or changed, on or after 01 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 01 April 2019

For contracts entered into before 01 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
    - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
    - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
    - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Policy applicable before 01 April 2019 before implementation of IFRS 16 Leases

In the comparative period, as a lessee the Company classified leases that does not transfer substantially all of the risks and rewards incidental to ownership as operating lease. These assets were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term 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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

2. SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

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.

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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

Sale of goods

For sales of goods, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customers (delivery), net of value added tax and discounts. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional.

Expenses recognition

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities within the next year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Retirement benefits obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

As a consequence, as at 31 March 2020, a deferred tax asset of **Rs 21,299,959** (2019 – (Restated) Rs 11,874,863) has been recognised, and the unrecognised deferred tax asset amounted to **Rs 56,643,146** (2019 – (Restated) Rs 60,834,590) (Refer to Note 10 for details).

Going concern
The directors of the Company have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis. Refer to Note 2(i) for further details.

Provision for expected credit losses of trade receivables
The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. 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).

Determining the lease term of contract with renewal option
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Company has leased a land area for a period of 20 years that include extension options for two additional periods of ten years. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company included the renewal period (two additional periods of ten years) as part of the lease term for leases of leasehold land. The Company typically exercises its option to renew for because there will be a significant negative effect on operation if a replacement asset is not readily available.

Impairment of non-financial assets
The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As at 31 March 2020, the directors have determined that the property, plant and equipment ("PPE") does not require any impairment given that the majority of its PPE is made up of property, the value of which is not expected

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

to decrease significantly due to continual maintenance of the property and that the plant and machinery used by the Company are in good working conditions. Even though this is not a priority of management, any of the plant and machinery could easily be transferred to other companies within the group with minimal costs/losses being incurred by the Company.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks, namely, market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing the risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures. Risk management is carried out by the Company under policies approved by senior management.

The Company's exposure to the various types of risks associates to its activity and financial instruments is detailed below.

(a) Market risk
Market risk is the risk that changes in market prices, such as interest rates and foreign exchange risks will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's income and operating cash flows are to some extent dependent on changes in interest rates. The only significant interest bearing financial assets and liabilities held by the Company are borrowings and cash and cash equivalents.

Interest prevailing on the bank borrowings varies as per the SBM Prime Lending Rate which has remained unchanged and interest on leases is fixed.

The Company's interest rate risk arises from bank overdraft. At 31 March 2020, the interest rate on the bank overdraft was **7.40%**. Based on simulations performed, the impact on pre-tax loss and net liabilities of a 1% shift in interest rates would be an increase/(decrease) of **Rs 46,141** (2019 – Rs Nil). At 31 March 2019, the bank overdraft balance was Rs Nil.

(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

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

the reported values of the Company's assets and liabilities which are denominated in foreign currencies.

Currency profile

As at 31 March 2020, if the USD had weakened/strengthened by 10% against the Mauritian rupee with all other variables held constant, the loss for the year would have been lower/higher by **Rs 122,322** (2019 - Rs 629,559).

As at 31 March 2020, 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 180,431** (2019 - Rs 274,727).

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

	Financial Assets 2020 Rs	**Financial Liabilities 2020 Rs**	Financial Assets 2019 Rs	Financial Liabilities 2019 Rs
US dollar	**1,223,251**	**27**	6,741,226	445,635
Mauritian rupee	**26,906,634**	**536,543,552**	34,961,858	384,062,112
Euro	**1,804,312**	**-**	2,747,272	-
	29,934,197	**536,543,579**	**44,450,356**	**384,507,747**

(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.

Trade receivables

The Company has trade receivables from different debtors in the airline industry and other industry (the ''Debtors'') amounting to Rs 26,852,533 at 31 March 2020 (2019 - Rs 37,436,788), 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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

The assessment include the following:

- Develop a provision matrix for the Receivable based on each category of Debtor.
- Estimate the payment profiles of each category Debtor and obtain net exposure at each reporting date based on subsequent payments.
- Consider forward-looking information of each category/ material Debtor.
- Consider micro and macro-economic environment of each category/material Debtor.
- Estimate potential losses on the Receivables in an event of default.

In addition, a high level assessment of the impact of Covid-19 on the industry and potential debtors have been carried out.

The Company has adopted a residual risk approach based on analysis of the remaining exposure after accounting for subsequent receipts rather on historical default rates since no debts have been incurred in relation to the sales for the past 3 years.

An analysis of net remaining exposure on Debtors at 31 March 2019 is illustrated below:

31 March 2019	**30 days Rs'000**	**60 days Rs'000**	**90 days Rs'000**	**120 days Rs'000**	**Total Rs'000**
Trade receivables	23,545	12,829	1,066	-	37,437
When paid (after year end)					
Within 30 days	15,934	2,547	1,014	-	19,573
Between 30 and 60 days	1,520	10,282	-	-	11,802
Between 60 and 90 days	6,088	-	52	-	6,140
Between 90 and 120 days	-	-	-	-	-

All receivables at 31 March 2019 were settled during the financial year 2019/2020 and no bad debts have been incurred. The historic default rate is therefore estimated at nil.

The receivables balances at 31 March 2020 and 2019 are as follows:

	30 days Rs'000	**60 days Rs'000**	**90 days Rs'000**	**120 days Rs'000**	**Total Rs'000**
31 March 2020					
Trade receivables	**14,196,419**	**6,210,428**	**4,511,711**	**1,933,975**	**26,852,533**
31 March 2019					
Trade receivables	23,543,105	12,828,107	1,065,576	-	37,436,788

75% of the Receivable balances at 31 March 2020 are aged less than 60 days, which is within the historical settlement period of 60 days while the remaining are within a period not exceeding 120 days.

Taking into account the profile of trade receivables (partial state ownership for many) and their history of payments over the last three years and that there were no bad debts recorded, it is of the view that

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

the trade receivables represent a low risk of default, although there is likely to be delays in repayment depending on duration of lockdowns and return to air travels.

Based on the ''World Economic Outlook April 2020'' analysis by the IMF, the impact of the Covid-19 pandemic on global economy would be a contraction of 3% in 2020. Their baseline scenario assumes that the pandemic faces in the second half of 2020, with renewed economic growth of 5.81% in 2021 as economic activity normalises helped by policy support.

Following the outbreak of Covid-19 since the start of the year, the impact on airline industry as per International Air Transport Association (IATA) is as follows:

- There has been a 65% decrease in worldwide flights in March 2020 and almost 80% decrease in early April
- Return to air travel would arise mostly in stages post lockdown
- The expected recession alone would push Revenue Passenger Kilometres (RPKs) by 8% in Q3 2020
- Travel restrictions and confidence effects of Covid-19 along with the predicted recession will have a devastating effect on global RPKs in 2020

The recent credit ratings by S&P Capital IQ in 2020 were analysed and it was noted that the credit ratings range from BBB- to B+ and the default rates associated for the said ratings would theoretically range from 0.17% to 3.44%.

Management expects that the impact on the business will be limited to the lockdown period in Mauritius and will be minimal with the support of government towards the travel and tourism industry.

Thus, on the above analysis and the industry outlook, and considering the following factors, the credit risk on trade receivables at 31 March would be low and hence any expected credit loss would not be material:

- No history of default on the debtors;
- Many of the airlines are ''flag carries'' of their respective countries, with varying degree of state ownership. The risks of default of these airlines would be theoretically low, often linked to the sovereign rating of their countries;
- Low Global Corporate Average Cumulative Default rates of BBB- to B rated instruments (from 0.17% to 3.44%);
- Global economic outlook by IMF predicting a recovery of global economy as from Q2 2020, with renewed economic growth in 2021;
- Difficulty to accurately quantify any impact of the Covid-19 virus as long as the duration and the scale of the pandemic and economic slowdown remain uncertain.

Management has further assessed the time value impact of any delay in settlement of these debts outside the normal credit terms and has concluded that this will not have a significant impact on the financial statements.

(c) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

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 years Rs	Between 1 to 2 years Rs	Between 2 to 5 years Rs	Over 5 years Rs
At 31 March 2020				
Trade and other payables	52,923,717	-	-	-
Finance lease commitments	793,869	902,178	312,158	-
Bank loans	64,122,520	101,001,860	179,567,455	-
Lease liability	8,068,539	8,875,393	27,587,680	396,710,493
Bank Overdraft	4,614,150	-	-	-
	130,522,795	110,779,431	207,467,293	396,710,493
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

The Company has trade and other receivables of **Rs 29,670,348** (2019 – Rs 41,273,940) that are expected to be received within one year and cash in hand and at bank of **Rs 263,849** (2019 – Rs 3,176,416). These will be used to partly finance the liabilities for less than one year. The Company would also have recourse to its parent to finance for any shortage of fund.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

Financial instruments

(a) Categories of financial instruments

	2020 Financial assets at amortised cost Rs	2019 Loans and Receivables Rs
Financial assets		
Cash in hand and at bank	**263,849**	3,176,416
Trade and other receivables	**29,670,348**	41,273,940
Total assets	**29,934,197**	44,450,356

	2020 Financial liabilities at amortised cost Rs	2019 Financial liabilities at amortised cost Rs
Financial liabilities		
Borrowings	**479,005,712**	336,094,204
Trade and other payables	**52,923,717**	48,413,542
Bank overdraft	**4,614,150**	-
Total liabilities	**536,543,579**	384,507,746

(b) Fair values of financial instruments

The management assessed that the fair values of trade and other receivables, cash and cash equivalents and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying value of the leases, which bears interest at a fixed rate, is not significantly different from its fair value.

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

	31 March 2020 Carrying value Rs	**31 March 2020 Fair value Rs**	31 March 2019 Carrying value Rs	31 March 2019 Fair value Rs
Bank borrowings	**310,500,000**	**281,820,696**	333,000,000	304,632,281

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 2020, the Company did not have any assets or liabilities that were carried at fair value or were subject to revaluation.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

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 2020 and 2019 were as follows:

	2020 **Rs**	2019 Rs Restated
Total borrowings	**479,005,712**	336,094,204
Less: Cash in hand and at bank	**(263,849)**	(3,176,416)
Add: Bank overdraft	**4,614,150**	-
Net debt	**483,356,013**	332,917,788
Total Equity (Restated)	**(16,738,532)**	1,533,472
Total Capital	**466,617,481**	334,451,260
Gearing ratio	**104%**	100%

The increase in the gearing ratio is mainly due to the recognition of the Company's leasehold land as a lease liability under borrowings as from 01 April 2019, following the adoption of IFRS 16. As per the agreement with the bank, the debt/equity ratio of the Company should be gradually reduced to at most 2:1. The bank has given the Company up to FY2021 to make the net equity position positive. Management is renegotiating the terms of the loan but that the final details are yet to be agreed.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is based on the invoiced value net of Value Added Tax and discounts and recognised at a point in time when control of the goods are transferred to the customer.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

6. OPERATING PROFIT

	2020 Rs	2019 Rs Restated
The following items have been charged in arriving at the operating profit:		
Depreciation of property, plant and equipment (Note 11):		
- Owned assets	**18,367,234**	24,655,242
- Leased assets	**2,085,948**	2,085,949
Depreciation of right-of-use assets (Note 12)	**5,863,598**	
Audit fees	**877,000**	420,000
Lease rental	**-**	7,334,708
Cost of inventories expensed (Note 13)	**111,835,959**	116,618,389
Staff costs (Note 7)	**65,614,282**	70,449,689
Transportation costs	**4,100,650**	3,866,900
Utilities	**17,140,212**	17,742,326
Repairs and maintenance	**4,660,651**	4,211,762
Retirement benefits expenses (Note 20(c))	**1,391,000**	605,000

7. STAFF COSTS

	2020 Rs	2019 Rs
Wages and salaries	**62,839,099**	67,603,291
Social security costs	**2,775,183**	2,846,398
	65,614,282	70,449,689
	Number	Number
Average number of employees	**224**	221

8. FINANCE COSTS

	2020 Rs	2019 Rs
(i) Income:		
Unrealised foreign exchange gains	**-**	5,708
Realised foreign exchange gains	**590,072**	1,294,604
	590,072	1,300,312

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

(ii) Costs:		
Interest on bank borrowings	**(15,746,289)**	(18,994,716)
Interest and finance charges for lease liabilities (Note 19(b))	**(11,466,190)**	(268,121)
Extinguishment loss arising on loan modification	**-**	(8,717,500)
Realised foreign exchange losses	**(855,019)**	(1,131,293)
	(28,067,498)	(29,111,631
Net finance costs	**(27,477,426)**	(27,811,319)

9. TAXATION

The Company is liable to income tax at **15%** (2019 - 15%) and Corporate Social Responsibility tax of **2%** (2019 - 2%) on its chargeable income. At 31 March 2020, the Company had accumulated tax losses of **Rs 106,500,774** (2019 - Rs 10,188,842) 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% (2019 - **17%**) follows:

	2020 Rs	2019 Rs Restated
Loss before income tax	**(28,070,364)**	(18,936,628)
Tax at **17%** (2019 - 17%)	**(4,771,962)**	(3,219,227)
Impact of:		
Deferred tax asset not recognised	**(11,601,066)**	4,647,882
Expenses not deductible for tax	**-**	1,674,295
Income not subject to tax	**-**	-
Tax loss utilised	**16,373,028**	(3,102,950)
Deferred tax asset not previously recognised	**(9,425,096)**	(7,282,347)
Actual tax credit	**(9,425,096)**	(7,282,347)

The components of income tax for the years ended 31 March 2020 and 2019 are as follows:

Recognised in profit or loss

	2020 Rs	2019 Rs Restated
Deferred tax credit (Note 10)	**(9,425,096)**	(7,282,347)

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

The tax losses are available for set off against future taxable profits as follows:

Up to year ending	**Tax losses Rs 2020**	Tax losses Rs 2019
31 March 2021	**10,188,842**	10,188,842
31 March 2026	**96,311,932**	-
Total	**106,500,774**	10,188,842

For the year ended 31 March 2019, the Company has a taxable profit of Rs 18,252,648, which has been offset against the accumulated tax losses.

10. DEFERRED TAX

	2020 Rs	2019 Rs
At 01 April 2018 (as previously reported)	**-**	(11,154,374)
Adjustment on correction of error (Note 27)	**-**	6,561,858
At 01 April (restated)	**(11,874,863)**	(4,592,516)
Deferred tax credit recognised in profit or loss (Note 9)	**(9,425,096)**	(7,282,347)
At 31 March	**(21,299,959)**	(11,874,863)

At 31 March 2020, in accordance with the Company's accounting policy, a deferred tax asset of **Rs 21,299,959** (2019 – (Restated) Rs 11,874,863) 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	
	2020 Rs	2019 Rs Restated	**2020 Rs**	2019 Rs Restated
Tax loss utilised	**18,437,911**	1,539,784	**16,898,127**	(2,838,378)
Excess of depreciation over capital allowance	**2,862,048**	**10,335,079**	**(7,473,031)**	10,120,725
Deferred tax credit				
Net deferred tax assets	**21,299,959**	**11,874,863**	**9,425,096**	7,282,347

A deferred tax asset of **Rs 56,643,146** (2019 – (Restated) Rs 60,834,590) has not been recognised as there is uncertainty that future taxable profits will be available to utilise these temporary differences.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

The unrecognised deferred tax balance is attributable to the following:

	2020 Rs	2019 Rs Restated
Tax loss unutilised	**-**	-
Exchange differences	**147,424**	146,453
Excess of depreciation over capital allowance	**54,326,205**	60,217,577
Retirement benefits costs	**621,350**	470,560
Lease liabilities	**1,548,167**	-
	56,643,146	60,834,590

The movement in unrecognised deferred tax assets is as follows:

	Tax loss unutilised	**Exchange differences**	**Excess of depreciation over capital allowance**	**Retirement benefits costs**	**Lease liabilities**	**Total**
	Rs	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
At 01 April 2019	-	146,453	60,217,577	470,560	-	60,834,590
Credit to income statement	(16,898,127)	-	7,473,031	-	-	(9,425,096)
Movement during the year	16,898,127	971	(13,364,403)	150,790	1,548,167	5,233,652
At 31 March 2020	**-**	**147,424**	**54,326,205**	**621,350**	**1,548,167**	**56,643,146**

	Tax loss unutilised	Exchange differences	Excess of depreciation over capital allowance	Retirement benefits costs	Total
	Rs	Rs	Rs	Rs	Rs
At 01 April 2018 (as previously reported)	-	147,423	73,546,805	402,220	74,096,448
Deferred tax on depreciation adjustment	-	-	(7,754,505)	-	(7,754,505)
At 01 April 2018 (as restated)	-	147,423	65,792,300	402,220	66,341,943
Credit to income statement	2,838,378	-	(10,120,725)	-	(7,282,347)
Movement during the year	(2,838,378)	(970)	4,546,002	68,340	1,774,994
At 31 March 2019	-	146,453	60,217,577	470,560	60,834,590

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings on leasehold land	Furniture, fittings & other equipment	Office equipment	Motor vehicles	Capital work in progress	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Cost:						
At 01 April 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**
Additions	**487,092**	**4,157**	**54,125**	**-**	**-**	**545,374**
At 31 March 2020	**351,116,271**	**337,394,318**	**4,371,285**	**47,179,365**	**-**	**740,061,239**
Accumulated depreciation:						
At 01 April 2018 (as previously reported)	(88,977,444)	(337,140,789)	(4,292,744)	(42,077,359)	-	(472,488,336)
Adjustment on correction of error (Note 27)	-	84,215,057	-	-	-	84,215,057
At 01 April 2018 (restated)	(88,977,444)	(252,925,732)	(4,292,744)	(42,077,359)	-	(388,273,279)
Charge for the year (restated)	(11,656,994)	(12,907,412)	(24,416)	(2,152,369)	-	(26,741,191)
At 31 March 2019 (restated)	**(100,634,438)**	**(265,833,144)**	**(4,317,160)**	**(44,229,728)**	**-**	**(415,014,470)**
Charge for the year	**(11,685,726)**	**(6,604,419)**	**(10,668)**	**(2,152,369)**	**-**	**(20,453,182)**
At 31 March 2020 (restated)	**(112,320,164)**	**(272,437,563)**	**(4,327,828)**	**(46,382,097)**	**-**	**(435,467,652)**
Carrying value:						
At 31 March 2020	**238,796,107**	**64,956,755**	**43,457**	**797,268**	**-**	**304,593,587**
At 31 March 2019 (restated)	249,994,741	71,557,017	-	2,949,637	-	324,501,395
At 31 March 2018 (restated)	259,560,700	84,215,057	24,416	5,102,006	166,355	349,068,534

The buildings on leasehold land have been secured with a fixed charge against the borrowings of MUR 333,000,000 (2019 - MUR 333,000,000) contracted from the State Bank of Mauritius Ltd. Details on borrowings are disclosed in Note 19.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

Leased vehicles

	2020 Rs	2019 Rs
Cost	**10,429,743**	10,429,743
Accumulated depreciation	**(9,752,941)**	(7,666,993)
	676,802	2,762,750

Management has determined that the property, plant and equipment ("PPE") does not require any impairment given that the majority of its PPE is made up of property, the value of which is not expected to decrease significantly due to continual maintenance of the property and that the plant and machinery used by the Company are in good working conditions. Even though this is not a priority of management, any of the plant and machinery could easily be transferred to other companies within the group with minimal costs/losses being incurred by the Company.

12. RIGHT-OF-USE ASSETS

Leasehold land	**2020** **Rs**
Balance at 1 April	**163,411,759**
Depreciation charge for the year	**(5,863,598)**
	157,548,161

There were no additions to right-of-use assets during the year.

13. INVENTORIES

	2020 Rs	2019 Rs
Food and beverage, at cost	**4,034,947**	3,135,501
Other consumables, at cost	**1,799,451**	2,558,367
	5,834,398	5,693,868

The cost of inventories recognised as expense and included in cost of sales amounted to **Rs 111,835,959** (2019 - Rs 116,618,389).

14. TRADE AND OTHER RECEIVABLES

	2020 Rs	2019 Rs
Trade receivables	**26,852,533**	37,436,788
Prepayments	**2,189,602**	**555,331**
Taxes receivable	**2,116,904**	**1,878,108**
Other receivables	**2,817,815**	3,837,152
	33,976,854	43,707,379

The other classes within trade and other receivables do not contain impaired assets.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

Impairment and risk exposure

Information about the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk can be found in note 4.

15. CASH AND CASH EQUIVALENTS

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

	2020 **Rs**	2019 Rs
Cash in hand and at bank	**263,849**	3,176,416
Bank overdraft	**(4,614,150)**	-
	(4,350,301)	3,176,416

In 2016, the Company was granted an overdraft facility of Rs 25,000,000. The overdraft facility has been renewed until 31 May 2020, secured against the following:

- 1st rank floating charge for Rs 25,000,000 on all assets of the Company
- Corporate guarantee of Rs 25,000,000 given by the Company's shareholder.

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 **7.40%** (2019: 5.85%).

16. SHARE CAPITAL

	2020 **Number**	2019 Number	**2020** **Rs**	2019 Rs
Issued and fully paid:				
At 01 April	**69,044,006**	69,044,006	**690,440,066**	690,440,066
Adjustment to stated capital	**-**	-	**(6)**	-
At 31 March	**69,044,006**	**69,044,006**	**690,440,060**	**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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

The stated capital has been amended to reflect the number of shares issued at par value, amounting to **Rs 690,440,060** for 69,044,006 shares at Rs 10 each.

17. OTHER RESERVES

	2020 Rs	2019 Rs
At 01 April	**476,000**	273,000
Remeasurement of post-employment benefits obligations (Note 20(d))	**373,000**	**203,000**
At 31 March	**849,000**	476,000

Other reserves represent actuarial losses arising from the remeasurement of post-employment benefit obligations as at 31 March 2020, as disclosed in Note 20(d).

18. TRADE AND OTHER PAYABLES

	2020 Rs	2019 Rs
Trade payables	**36,690,199**	37,704,674
Accruals	**16,233,518**	10,708,868
Social security and other taxes	**56,761**	144,433
	52,980,478	48,557,975

19. BORROWINGS

	2020 Rs	2019 Rs
Non-current:		
Bank borrowings (Note 19(a))	**260,500,000**	310,500,000
Lease liabilities (Note 19(b))	**167,810,854**	1,846,554
	428,310,854	312,346,554
Current:		
Bank borrowings (Note 19(a))	**50,000,000**	22,500,000
Lease liabilities (Note 19(b))	**694,858**	1,247,650
	50,694,858	23,747,650
Total borrowings	**479,005,712**	336,094,204

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

(a) Bank borrowings

	2020	2019
	Rs	Rs
Less than one year	**50,000,000**	22,500,000
Later than 1 year and no later than 5 years	**260,500,000**	303,000,000
Later than 5 years	**-**	7,500,000
	310,500,000	333,000,000
Current	**50,000,000**	22,500,000
Non-current	**260,500,000**	310,500,000
	310,500,000	333,000,000

At 31 March 2020, the movement in the bank borrowings from 31 March 2019 is attributable to a repayment of **Rs 22,500,000.**

During the year ended 31 March 2019, the outstanding capital loan amount of USD 9,500,000 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 2020 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 of 5.85% with an all-in-rate of **4.85%** per annum (2019 - 4.85%).

Interest is payable on a monthly basis. During the year ended 31 March 2020, the Company paid interest of **Rs Rs 15,746,289** (2019 – Rs 18,994,716) on the bank borrowings.

The borrowings of Rs 310,500,000 as at 31 March 2020 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.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

(b) Lease liabilities

	Leasehold land Rs	2019 Rs	Total Rs
At 01 April	**-**	3,094,204	3,094,204
Additions	**163,411,759**	-	163,411,759
Interest expense	**11,311,803**	154,387	11,466,190
Payments	**(8,068,539)**	(1,397,902)	(9,466,441)
At 31 March	**166,655,023**	1,850,689	168,505,532

	2020 Rs	2019 Rs
Current	**694,858**	1,247,650
Non-current	**167,810,854**	1,846,554
	168,505,712	3,094,204

Lease arrangements for leasehold land relate to a land area where the operations of the Company are carried out. The Lease agreement covers a period of 20 years and may be renewed for two additional periods of ten years, subject to terms and conditions which may be agreed between the Lessor and the Lessee. The rent charge at the start of the lease in April 2007 was Rs 27.11 per square metre per month, over a total surface of 14,000 square metres, and is subject to an increase of 10% every 2 years. The rent charge was revised to Rs 48.02 per square metre as at April 2019. The lease is non-cancellable from the standpoint of the lessee.

Lease arrangements for motor vehicles relate to the following:

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

The statement of comprehensive income shows the following amounts relating to leases:

	2020 Rs	2019 Rs
Depreciation charge of right-of-use assets (included in administrative expenses) (Note 12)	**5,863,598**	-
Interest on lease liabilities (included in finance costs) (Note 8)	**11,466,190**	268,121

The statement of cash flows show the following amounts relating to leases:

Total cash outflow for leases	**9,466,441**	2,173,813

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

20. RETIREMENT BENEFITS OBLIGATIONS

	2020 Rs	2019 Rs
Non-current:		
Retirement benefits obligations	**3,655,000**	2,768,000

The Company has recognised a net benefit liability of **Rs 3,655,000** (2019 - Rs 2,768,000) in its statement of financial position as at 31 March 2020 in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Employment Rights Act 2008.

The Company is subject to an unfunded defined benefit plan for the employees. The plan exposes the Company to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

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

	2020 Rs	2019 Rs
At 01 April	**2,768,000**	2,366,000
Amount recognised in Profit or Loss for current year	**1,391,000**	605,000
Amount recognised in Other Comprehensive Income	**(373,000)**	(203,000)
Employer contributions	**(131,000)**	-
At 31 March	**3,655,000**	2,768,000

(b) A reconciliation of present value of defined benefit obligation follows:

	2020 Rs	2019 Rs
At 01 April	**2,768,000**	2,366,000
Current service cost	**372,000**	475,000
Interest expense	**162,000**	130,000
Past service cost	**857,000**	-
Other benefits paid	**(131,000)**	-
Liability experience gain	**(310,000)**	(160,000)
Liability gain due to change in financial assumptions	**(63,000)**	(43,000)
At 31 March	**3,655,000**	2,768,000

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

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

	2020	2019
	Rs	Rs
Current service cost	**372,000**	475,000
Past service cost	**857,000**	-
	1,229,000	475,000
Net interest expense on net defined benefit liability	**162,000**	130,000
	1,391,000	605,000

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

	2020	2019
	Rs	Rs
Liability experience gain	**(310,000)**	(160,000)
Liability gain due to change in financial assumptions	**(63,000)**	(43,000)
	(373,000)	(203,000)

Principal assumptions used at end of the year:

	2020	2019
	Rs	Rs
Discount rate	**5.3%**	6.0%
Rate of salary increases	**2.6%**	3.4%
Average retirement age	**65**	65

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

	2020	2019
	Rs	Rs
Increase due to 1% decrease in discount rate	**774,000**	562,000
Decrease due to 1% increase in discount rate	**619,000**	450,000

The above sensitivity analysis has been carried out by recalculating the present value of the obligation at 31 March 2020 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.

	2020	2019
	Rs	Rs
Expected employer contribution for the next year	**-**	127,000
Weighted average duration of the defined benefits obligations	**19 years**	18 years

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

21. CONTINGENT LIABILITIES

Bank guarantees

At 31 March 2020, 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 2020, Expatriate Guarantee amounted to **Rs 100,000** (2019 - Rs 120,000) and Govt Guarantee amounted to **Rs 11,000,000** (2019 – Rs 11,000,000).

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.

23. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of EIH Limited, a company incorporated in India. Oberoi Hotels Private Limited is a company in which key management personnel of immediate parent have significant influence.

The following transactions were carried out with related parties:

(a) Remuneration of key management personnel

	2020	2019
	Rs	Rs
Salaries	**3,487,500**	3,280,000
Other short term employee benefits	**600,000**	609,225
	4,087,500	3,889,225

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

(b) Fees paid to management entity of the Company

	2020	2019
	Rs	Rs
Ocorian Corporate Administrators Limited		
Fees paid during the year	**581,042**	522,560

(c) Directors' fees

The Directors, being the representatives of the holding company, are not entitled to any fees as the Company does not have a remuneration policy in place for its Directors, except for Mrs Véronique Magny-Antoine who is a representative of Ocorian Corporate Administrators Limited ('Ocorian'). Ocorian is paid a fee for procurement of Director, company secretarial services and accounting services provided to the Company (as disclosed under Note 23(d)).

24. IMMEDIATE AND ULTIMATE PARENT

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

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

25. COMMITMENTS

Finance lease commitments for motor vehicles

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

	2019
	Rs
Not later than 1 year	1,418,208
Later than 1 year and not later than 5 years	1,843,439
	3,261,647
Future finance charges	(167,443)
Present value of minimum lease payments	3,094,204

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 lease is disclosed in Note 11.

Lease commitments for leasehold land

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

	2019
	Rs
Not later than 1 year	8,068,539
Later than 1 year and not later than 5 years	35,582,258
Later than 5 years	405,659,847
	449,310,644
Future finance charges	(285,898,885)
	163,411,759

The Company leases a land area where the operations of the Company are carried out. The Lease agreement covers a period of 20 years and may be renewed for two additional periods of ten years, subject to terms and conditions which may be agreed between the Lessor and the Lessee. The rent charge at the start of the lease in April 2007 was Rs 27.11 per square metre per month, over a total surface of 14,000 square metres, and is subject to an increase of 10% every 2 years. The rent charge was revised to Rs 48.02 per square metre as at April 2019. The lease is non-cancellable from the standpoint of the lessee.

From 01 April 2019, the Company has recognised right-of-use of assets for these leases, see note 12 for further information.

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

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 2019	Cash flows	Interest paid	Interest expense	Recognition of lease liability	31 March 2020
Bank overdraft/ (Net cash)	(3,176,416)	7,526,717	-	-	-	4,350,301
Liabilities arising from financing activities:						
Bank borrowings	333,000,000	(22,500,000)	(15,746,289)	15,746,289	-	310,500,000
Finance lease commitment	3,094,204	(1,243,515)	(154,387)	154,387	163,411,759	166,655,023
Lease liability	-	(8,068,539)	-	11,311,803	(166,355)	(166,355)
	332,917,788	**(24,285,337)**	**(15,900,676)**	**27,212,479**	**163,411,759**	**483,356,013**

		Cash changes		Non-cash changes			
	01 April 2018	Cash flows	Interest paid	Exchange difference	Interest expense	Loan modification loss	31 March 2019
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**

27. PRIOR YEAR RESTATEMENT

During the year ended 31 March 2020, the useful life of furniture, fitting and other equipment was reviewed by an independent expert, who advised that the typical lifespan of the assets acquired by the Company varies usually from 10 to 30 years due to the higher quality of these equipment. This indicates that the depreciation rate applied by the Company upon the acquisition of these assets of 15.00% was overstated in prior years.

In line with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the impact of the above-noted difference has thus been adjusted for retrospectively. The depreciation has been recomputed from day 1 based on the typical lifespan advised by the expert, and the impact on the excess accumulated

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

depreciation and deferred tax asset previously recognised as at 01 April 2018 and 31 March 2019 has been disclosed below:

Details of the financial statement line items restated as at 01 April 2018 are as follows:

	As previously stated	**Adjustment**	**Restated**
	Rs	**Rs**	**Rs**
As at 1 April 2018			
Accumulated depreciation (Note 11)	(337,140,789)	84,215,057	(252,925,732)
Income tax credit (Note 10)	11,154,374	(6,561,858)	4,592,516
Decrease in accumulated losses		77,653,199	
Statement of financial position			
As at 01 April 2018			
Property, plant and equipment (Note 11)	264,853,477	84,215,057	349,068,534
Deferred income tax asset (Note 10)	11,154,374	(6,561,858)	4,592,516
Accumulated losses	(755,381,242)	77,653,199	(677,728,043)

Details of the financial statement line items restated for the year ended 31 March 2019 and as at 31 March 2019 are as follows:

	As previously stated	**Adjustment**	**Restated**
	Rs	**Rs**	**Rs**
Statement of comprehensive income			
For the year ended 31 March 2019			
Cost of sales	(135,416,094)	(3,708,339)	(139,124,433)
Administrative expenses	(115,222,863)	(9,189,850)	(124,412,713)
Income tax credit	6,078,480	1,203,867	7,282,347
Decrease in profit for the year	40,041	(11,694,322)	(11,654,281)
Statement of financial position			
As at 31 March 2019			
Property, plant and equipment	253,184,527	71,316,868	324,501,395
Deferred income tax asset	17,232,854	(5,357,991)	11,874,863
Accumulated losses	(755,341,201)	65,958,877	(689,382,324)

Notes to the Financial Statements for the year ended 31 March 2020 *(Contd.)*

Details of the financial statement line items restated for the year ended 31 March 2019 and as at 31 March 2019 are as follows (Continued):

	As previously stated	Adjustment	Restated
	Rs	Rs	Rs
Statement of cash flow			
For the year ended 31 March 2019			
Loss before income tax	(6,038,439)	12,898,189	(18,936,628)
Adjustments for non-cash items:			
Depreciation on Property, Plant and Equipment	13,843,002	12,898,189	26,741,191

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 2020.

EIH INTERNATIONAL LTD

BOARD

Mr. P. R. S. Oberoi
Mr. Deepak Madhok
Mr. Pathmanaban Selvadurai
Mr. Sudipto Sarkar *(Appointed on 9th September, 2019)*

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 2020, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended and report as follows:

The names of the directors in office at the date of this report are:

P R S Oberoi

Deepak Madhok

P Selvadurai

Sudipto Sarkar (appointed 9th September 2019)

PRINCIPAL ACTIVITY

The principal activity of the Group during the course of the year was investment and management. There were no significant changes in activities of the Group during the year.

RESULTS

The net loss for the year was $2,320,095 (2019: loss of $327,965) for the Group and a profit of $1,197,282 (2019: $2,313,703) for the Company, after provision for income tax benefit of $165,120 (2019: Expense of $645,184) for the Group and $nil (2019: $nil) for the Company.

EVENTS AFTER THE BALANCE DATE

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The operations of the company have been impacted by the outbreak of Novel Coronavirus (COVID-19), with the operations of hotels impacted by the restrictions in place in each jurisdiction. The company continues to monitor the ongoing COVID-19 outbreak and its impact on hotel occupancy rates.

DIVIDENDS

During the year a dividend totalling $1,000,000 (2019: $2,000,000) was declared and paid.

DIRECTORS' REMUNERATION

No director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements or the fixed salary of a full-time employee of the Group or a related body corporate, by reason of a contract made by the Group or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

AUDITORS INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

This report has been made in accordance with a resolution of directors.

DEEPAK MADHOK

21 May 2020 *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 2020;
- 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 2020, and their financial performance and their cash flows for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Adelaide
21 May 2020

ERNST & YOUNG

Statement of Comprehensive Income
For the year ended 31 March 2020

(Expressed in United States dollars)

	Note	Consolidated		Parent	
		31-Mar-20	31-Mar-19	**31-Mar-20**	31-Mar-19
		$	$	**$**	$
Continuing Operations					
Turnover	3	**10,001,381**	10,315,041	**1,286,163**	2,367,597
Cost of sales		**(666,065)**	(627,182)	**-**	-
Gross profit		**9,335,316**	9,687,859	**1,286,163**	2,367,597
Operating Expenses					
Other operating expenses		**1,447,034**	1,408,658	**-**	-
Payroll and related expenses		**2,600,383**	2,461,509	**-**	-
Administration and general expenses		**2,582,983**	2,667,742	**88,421**	46,017
Marketing expenses		**527,491**	513,079	**-**	-
Upkeep and service cost		**1,295,692**	1,103,851	**-**	-
Project development expenses		**11,713**	83,889	**-**	-
Provision for furniture, fixture and equipment		**227,548**	232,322	**-**	-
Other expenses		**34,354**	52,428	**460**	7,877
Depreciation and amortisation		**1,528,927**	1,389,345	**-**	-
Total Operating Expenses		**10,256,125**	9,912,823	**88,881**	53,894
Other Income/(Expense)					
Interest expense		**(93,549)**	-	**-**	-
Share of profit/(loss) of investments accounted for using the equity method		**(2,077,888)**	(722,018)	**-**	-
Loan Forgiveness		**-**	-	**-**	
Impairment of Investment/Receivables		**-**			
Other income/(expense)		**607,031**	1,264,201	**-**	-
Loss on disposal of fixed assets		**-**	-	**-**	-
Total Other Income/(Expense)		**(1,564,406)**	542,183	**-**	-
Profit/(loss) before taxation		**(2,485,215)**	317,219	**1,197,282**	2,313,703
Taxation (expense)/benefit	4	**165,120**	(645,184)	**-**	-
Profit/(loss) after taxation		**(2,320,095)**	(327,965)	**1,197,282**	2,313,703
Profit/(Loss) for the year is attributable to:					
Owners of the parent		**(2,315,375)**	(322,517)	**1,197,282**	2,313,703
Non-controlling interest		**(4,720)**	(5,448)	**-**	-
		(2,320,095)	(327,965)	**1,197,282**	2,313,703
Other comprehensive income/(loss)					
Profit/(loss) after taxation		**(2,320,095)**	(327,965)	**1,197,282**	2,313,703
Share of other comprehensive income/(loss) of Investments accounted for using the equity method		**11,856**	7,444	**-**	-
Re-measurement of employee benefits		**9,446**	(15,858)	**-**	-
Recycling of foreign currency translation reserve		**(395,824)**	-	**-**	-
Movement in foreign currency translation reserve		**(465,841)**	(77,634)	**-**	-
Total comprehensive income		**(3,160,458)**	(414,013)	**1,197,282**	2,313,703
Total comprehensive income/(loss) for the year is attributable to:					
Owners of the parent		**(2,982,695)**	(362,818)	**1,197,282**	2,313,703
Non-controlling interest		**(177,763)**	(51,195)	**-**	-
		(3,160,458)	(414,013)	**1,197,282**	2,313,703

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

Statement of Financial Position
As at 31 March 2020

(Expressed in United States dollars)

	Note	Consolidated		Parent	
		31-Mar-20 $	31-Mar-19 $	**31-Mar-20 $**	31-Mar-19 $
Non-Current Assets					
Property, plant and equipment	7	**13,792,032**	11,589,630	**-**	-
Intangibles assets	8	**58,948,758**	59,858,758	**-**	-
Deferred tax assets		**537,029**	250,505	**-**	-
Financial					
Amount due from related parties	9	**6,799,224**	6,490,521	**4,280,433**	4,038,145
Other assets		**8,570**	9,848	**-**	-
Non-Financial					
Investments	6	**29,499,979**	27,537,011	**94,675,214**	94,675,214
Other assets		**260,549**	516,716		
Total Non-Current Assets		**109,796,141**	106,252,989	**98,955,647**	98,713,359
Current Assets					
Inventories		**243,358**	361,290	**-**	-
Financial					
Cash and cash equivalents	10	**7,373,065**	12,381,176	**3,759,965**	3,794,971
Receivable	11	**291,216**	623,850	**-**	-
Amount due from related parties	9	**-**	49,553	**-**	-
Non-Financial					
Other assets		**368,802**	425,544	**-**	-
Total Current Assets		**8,276,441**	13,841,413	**3,759,965**	3,794,971
Total Assets		**118,072,582**	120,094,402	**102,715,612**	102,508,330
Current Liabilities					
Financial					
Trade and other payables	12	**2,663,910**	2,931,563	**60,000**	50,000
Lease Liability		**98,073**	-	**-**	-
Non-Financial					
Provision for taxation		**71,202**	244,510	**-**	-
Total Current Liabilities		**2,833,185**	3,176,073	**60,000**	50,000
Non-Current Liabilities					
Deferred tax liabilities		**2,569**	-	**-**	-
Employee benefits liabilities	13	**912,778**	1,045,406	**-**	-
Financial					
Amounts due to related parties	9	**3,120,000**	3,120,000	**181,087**	181,087
Long Term Lease Liability	14	**2,611,585**	-	**-**	-
Total Non-Current Liabilities		**6,646,932**	4,165,406	**181,087**	181,087
Total Liabilities		**9,480,117**	7,341,479	**241,087**	231,087
Net Assets		**108,592,465**	112,752,923	**102,474,525**	102,277,243
Equity					
Share Capital	15	**106,607,800**	106,607,800	**106,607,800**	106,607,800
Retained Earnings		**1,646,607**	5,336,504	**(4,133,275)**	(4,330,557)
Translation reserve		**(1,741,215)**	(1,448,417)	**-**	-
Minority Interest	16	**2,079,273**	2,257,036	**-**	-
Total Equity		**108,592,465**	112,752,923	**102,474,525**	102,277,243

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 2020

(Expressed in United States dollar)

		Consolidated				
	Note	**Share Capital $**	**Translation Reserve $**	**Retained Earnings $**	**Non-Controlling Interest $**	**Total Equity $**
As at 1 April 2019	15	**106,607,800**	**(1,448,417)**	**5,336,504**	**2,257,036**	**112,752,923**
Issued during the year		-	-	-	-	-
Translation reserve		-	(292,798)	-	(173,043)	(465,841)
Profit for year		-	-	(2,315,375)	(4,720)	(2,320,095)
Other Comprehensive income		-	-	(374,522)	-	(374,522)
Minority Interest Adjustment		-	-	-	-	-
Dividend paid		-	-	(1,000,000)	-	(1,000,000)
As at 31 March 2020	15	**106,607,800**	**(1,741,215)**	**1,646,607**	**2,079,273**	**108,592,465**

		Consolidated				
	Note	**Share Capital $**	**Translation Reserve $**	**Retained Earnings $**	**Non-Controlling Interest $**	**Total Equity $**
As at 1 April 2018	**15**	**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	**15**	**106,607,800**	**(1,448,417)**	**5,336,504**	**2,257,036**	**112,752,923**

Statement of Changes in Equity *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

		Parent		
	Note	**Share Capital $**	**Retained Earnings $**	**Total Equity $**
As at 1 April 2019	**15**	**106,607,800**	**(4,330,557)**	**102,277,243**
Shares issued		-	-	-
Profit for year		-	1,197,282	1,197,282
Other Comprehensive income		-	-	-
Dividend paid		-	(1,000,000)	(1,000,000)
As at 31 March 2020	**15**	**106,607,800**	**(4,133,275)**	**102,474,525**

		Parent		
	Note	**Share Capital $**	**Retained Earnings $**	**Total Equity $**
As at 1 April 2018	**15**	**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	15	106,607,800	(4,330,557)	102,277,243

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 2020

(Expressed in United States dollars)

	Consolidated		Parent	
	31-Mar-20	31-Mar-19	**31-Mar-20**	31-Mar-19
	$	$	**$**	$
Cash flows from operating activities				
Profit/(Loss) before taxation	**(2,485,215)**	317,219	**1,197,282**	2,313,703
Adjustment for:				
Depreciation	**1,528,927**	1,389,345	**-**	-
Share of associates net (profit) / loss	**2,077,888**	722,018	**-**	-
Interest income	**(367,003)**	(454,519)	**(242,288)**	(300,045)
Dividend received	**(60,570)**	-	**(1,043,875)**	(2,067,552)
Interest expense	**93,549**	-	**-**	-
Impact of foreign currency translation	**4,959**	68,150	**-**	-
(Increase)/Decrease in assets:				
Decrease/(Increase) in receivables	**430,893**	17,595	**-**	-
Decrease/(Increase) in inventories	**117,932**	(51,926)	**-**	-
Decrease/(Increase) in prepayments	**495,661**	30,342	**-**	-
(Decrease)/Increase in liabilities:				
(Decrease)/Increase in payables	**(26,609)**	12,023	**10,000**	-
(Decrease)/Increase in provision	**(150,731)**	405,094	**-**	-
Cash generated from/(used by) operations	**1,659,681**	2,455,341	**(78,881)**	(53,894)
Interest paid	**-**	-	**-**	-
Taxes paid	**469,478**	548,692	**-**	-
Net cash flows (used by)/from operating activities	**1,190,203**	1,906,649	**(78,881)**	(53,894)
Cash flows from investing activities				
Dividend received	**60,570**	-	**1,043,875**	2,067,552
Acquisition of fixed assets	**(948,336)**	(1,883,502)	**-**	-
Purchase of furniture, fixtures and equipment from provision for furniture, fixtures and equipment	**(259,458)**	(94,446)	**-**	-
Proceeds from sale of property, plant and equipment	**-**	-	**-**	-
Payment for acquisition of investments	**(3,979,000)**	(12,847,500)	**-**	(10,000,000)
Other non-current assets	**-**	(107,737)	**-**	-
Interest received	**-**	-	**-**	-
Dividend paid to related party	**(1,000,000)**	(2,000,000)	**(1,000,000)**	-
Dividend paid to minority interest	**-**	(120,000)	**-**	-
Net cash flows from/(used by) investing activities	**(6,126,224)**	(17,053,185)	**43,875**	(7,932,448)
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
Payment of Principle Portion of Lease liabilities	**(72,090)**			
Loans to related party	**-**	-	**-**	-
Repayment of bank loans	**-**	-	**-**	-
Dividend paid	**-**	-	**-**	(2,000,000)
Net cash flows from financing activities	**(72,090)**	19,067,814	**-**	10,722,707
Net increase/(decrease) in cash and cash equivalents	**(5,008,111)**	3,921,278	**(35,006)**	2,736,365
Cash and cash equivalents at beginning of year	**12,381,176**	8,459,898	**3,794,971**	1,058,606
Effect of exchange rate changes on cash balances	**-**	-	**-**	-
Cash and cash equivalents at end of year (Note 10)	**7,373,065**	12,381,176	**3,759,965**	3,794,971

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 2020

1. Corporate information

The financial report of EIH International Ltd and its controlled entities (the "Group") for the year ended 31 March 2020 was authorised for issue on 21 May 2020.

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 16 Leases

IFRS 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under IFRS 117 Leases. 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).

Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees 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 is substantially unchanged from today's accounting under IFRS 117. Lessors will continue to classify all leases using the same classification principle as in IFRS 117 and distinguish between two types of leases: operating and finance leases.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

Effective April 1, 2019, it is the Group's policy to classify right-of-use assets as part of fixed assets. Prior to that date, all of the Group's leases are accounted for as operating leases, hence, not recorded on the statement of financial position. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

The Group had applied the modified retrospective method of adoption, with the date of initial application of April 1, 2019

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets.

The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

In accordance with the modified retrospective method of adoption, the Group applied IFRS 16 at the date of initial application as if it had already been effective at April 1, 2019.

Based on the above, as at April 1, 2019:

- Rights-of-use assets (presented as part of "Fixed Assets" account) were recognized amounting to $3,104,882, representing the amount of rights-of-use assets set up on transition date.
- Lease liabilities were recognized amounting to $2,688,199 after considering prepayments of $416,683 related to previous operating leases arising from straight lining were derecognized.

Due to the adoption of IFRS 16, the Group's operating profit in 2020 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases.

The adoption of IFRS 16 will not have an impact on equity in 2020, since the Group elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

Remaining accounting policies adopted are consistent with those of the previous financial year.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(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 2020 (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

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

(g) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into United States dollars at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

On consolidation, exchange differences arising from the translation of the net investment in subsidiaries are taken to the foreign currency translation reserve.

(h) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

(j) Inventories

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

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

(k) Investments

The Group's investments are recorded at fair value through other comprehensive income, as there is no quoted market price in an active market the fair value is estimated to approximate the cost. The Group does not intend to dispose its investment in the near future.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(l) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

Where the reporting dates of the associates are different to the Group, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's financial statements. The difference between the end of the reporting period of the associate and that of the Group is no more than three months. The associates' accounting policies to those used by the Group for like transactions and events in similar circumstances.

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Land - not depreciated
- Buildings - over 20 years
- Plant and equipment - over 5 to 15 years
- Leased equipment - over 8 to 10 years
- Motor vehicles - over 4 years
- Right-of-Use assets – over 38 years

Rights-of-use assets represent land and will be amortized over the lease terms.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Revaluations of land and buildings
Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit 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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(n) Intangible assets

Goodwill
Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed. If this consideration transferred is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Management contracts
Management contracts are measured at cost. After initial recognition, management contracts are measured at cost less any accumulated amortisation and impairment losses.

Amortisation of the various management contracts commenced from 1 April 2011 and was determined to be over a 40 year useful life, to be reassessed for reasonableness each period.

(o) Payables

Payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provision and employee benefits

(i) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

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.

Effective April 1, 2016, the Company applied PSAK No. 24 (Revised 2013), "Employee Benefits", which superseded PSAK No. 24 (Revised 2010), "Employee Benefits". The Company recognizes its unfunded pension benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 ("the Law") and PSAK No. 24 (Revised 2013), "Employee Benefits".

This PSAK provides, among others, (i) the elimination of the "corridor approach" permitted under the previous version and (ii) significant changes in the recognition, presentation and disclosure of post-employment benefits which, among others, are as follows:

– Actuarial gains and losses are now required to be recognized in other comprehensive income (OCI) and excluded permanently from profit or loss.

– Expected return on plan assets will no longer be recognized in profit or loss. Expected returns are replaced by recognizing interest income (or expense) on the net defined benefit asset (or liability) in profit or loss, which is calculated using the discount rate used to measure the pension obligation.

– Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment/curtailment occurs or when the Company recognizes related restructuring or termination costs.

– Such changes are made in order that the net pension assets or liabilities are recognized in the statement of financial position to reflect the full value of the plan deficit or surplus.

– Further, past service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

(q) Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

- 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 exchange for those goods or services. The following specific recognition criteria must be met before revenue is recognised:

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(i) *Rendering of Services*
Revenue from management and service fees received as hotel operators and managers for services rendered is recognised by reference to the services being transferred to the customer.

(ii) *Sale of Goods*
Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services

(iii) *Interest Income*
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(t) Leases

The Group recognises right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company's lease accounting is as a lessee since the Company does not have any transactions as a lessor.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(t) Leases *(continued)*

The Group has applied the modified retrospective method of adoption, with the date of initial application of April 1, 2019. In accordance with the standard, by applying modified retrospective approach, the lessee shall not restate comparative information. Instead, the lessee shall recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

<u>Short-term leases and leases of low-value assets</u>

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(u) Key judgements and estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. The extent and duration of impacts of COVID 19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID 19 on business, tourism, hotel and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, we estimate a possible scenario of normal business conditions returning gradually after 6 months and thereafter stabilising in the last quarter of year 2020. In the following year 2021 it is estimated that the normalcy would return.

ii) Leases - Estimating the incremental borrowing rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

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		Parent	
	31-Mar-20	31-Mar-19	**31-Mar-20**	31-Mar-19
	$	$	**$**	$
Hotel revenues	**7,584,966**	7,744,107	**-**	-
Hotel management fees	**1,192,498**	1,303,937	**-**	-
Sales and marketing	**723,550**	762,128	**-**	-
Royalty	**72,794**	50,350	**-**	-
Dividends	**60,570**	-	**1,043,875**	2,067,552
Interest	**367,003**	454,519	**242,288**	300,045
	10,001,381	10,315,041	**1,286,163**	2,367,597

4. Taxation

A reconciliation of the tax expense applicable to the profit before tax using the statutory rate to the tax expense at the effective tax rate is as follows:

	Consolidated		Parent	
	31-Mar-20	31-Mar-19	**31-Mar-20**	31-Mar-19
	$	$	**$**	$
Profit before tax	**(2,485,215)**	317,219	**1,197,282**	2,313,703
Tax at the statutory tax rate of Nil % (2019: Nil %)	**-**	-	**-**	-
Tax rate differential in foreign Countries	**(165,120)**	645,184	**-**	-
Taxation expense/(benefit)	**(165,120)**	645,184	**-**	-

a. Taxes payable consist of the following:

	Consolidated		Parent	
	31-Mar-20	31-Mar-19	**31-Mar-20**	31-Mar-19
Indonesia:	**$**	$	**$**	$
Development tax I	**17,733**	90,166	**-**	-
Income tax	**-**			
Article 4(2)	**-**	-	**-**	-
Article 21	**12,436**	11,992	**-**	-
Article 23	**17,037**	76,358	**-**	-
Article 25	**15,761**	18,170	**-**	-
Article 26	**294**	330	**-**	-
Article 29	**-**	33,832	**-**	-
Value added tax	**7,941**	13,662	**-**	-
Withholding tax	**-**	-	**-**	-
Total	**71,202**	244,510	**-**	-

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

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		Parent	
	31-Mar-20 $	31-Mar-19 $	**31-Mar-20 $**	31-Mar-19 $
Income before income tax per statement of profit or loss and other comprehensive income	**(2,485,215)**	317,219	**1,197,282**	2,313,703
Temporary differences:				
Provision for replacement of furniture, fixtures and equipment, net	**117,072**	137,745	**-**	-
Employee benefits, net	**2,337**	71,958	**-**	-
Depreciation	**14,505**	(7,035)	**-**	-
Provision for impairment of trade receivables, net	**521**	-	**-**	-
Lease Depreciation	**(23,774)**	-	**-**	-
Interest Expense	**93,549**	-	**-**	-
Permanent differences:				
Interest income already subjected to Final tax	**(6,144)**	(20,741)	**-**	-
Depreciation	**5,399**	5,387	**-**	-
Other	**(152,128)**	(89,349)	**-**	-
Non-deductible expenses	**66,705**	440,628	**-**	-
Translation Adjustment	**109,462**			
Unrecognised Deferred Tax Assets	**-**	-	**-**	-
Not Subject to Tax	**1,708,910**	216,102	**(1,197,282)**	(2,313,703)
Tax Losses Carried Forward at Beginning of the year	**-**	(168,262)	**-**	-
Estimated taxable income for the year	**(548,801)**	903,652	**-**	-

c. Computation of estimated current income tax expense and estimated income tax payable:

	Consolidated		Parent	
	31-Mar-20 $	31-Mar-19 $	**31-Mar-20 $**	31-Mar-19 $
Estimated taxable income (rounded off)	**(548,801)**	903,652	**-**	-
Current income tax expense	**13,696**	216,696	**-**	-
Prepayments of	**-**	-	**-**	-
Income tax article 25	**(216,839)**	(216,830)	**-**	-
Translation adjustments	**25,808**	628	**-**	-
Estimated income tax payable (claim for tax refund)	**(177,335)**	494	**-**	-

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

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		Parent	
	31-Mar-20 $	31-Mar-19 $	**31-Mar-20 $**	31-Mar-19 $
Income before income tax	**(2,485,215)**	317,219	**1,197,282**	2,313,703
Tax expense at the applicable rate	**(23,693)**	433,485	**-**	-
Utilisation of carry forward tax losses	**-**	(44,587)	**-**	-
Unrecognised deferred assets	**120,075**	10,204	**-**	-
Tax effect on permanent differences:	**(232,990)**			
Interest income already subjected to final tax	**(901)**	(4,470)	**-**	-
Non-deductible expenses	**34,132**	110,159	**-**	-
Translation adjustments	**(39,518)**	2,824	**-**	-
Income tax expense/(benefit)				
Current year	**(142,551)**	509,666	**-**	-
Deferred year	**-**	-		
Prior Year	**(22,569)**	135,518	**-**	-
Total	**(165,120)**	645,184	**-**	-

e. Deferred income tax benefit (expense) consists of:

	Consolidated		Parent	
	31-Mar-20 $	31-Mar-19 $	**31-Mar-20 $**	31-Mar-19 $
Provision (payment of reserve) for replacement of furniture, fixtures and equipment – net	**-**	28,225	**-**	-
Provision for employee benefits - net	**-**	13,367	**-**	-
Depreciation and amortization - net	**-**	(439)	**-**	-
Translation Adjustments	**-**	-	**-**	-
Net	**-**	41,153	**-**	-

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

f. Deferred tax assets (liabilities) consist of:

	Consolidated				
	1-Apr-2019 $	**Profit or loss $**	**Other comprehensive income $**	**Translation Adj. $**	**31-Mar-20 $**
Deferred tax assets					
Employee benefits liability	210,908	(7,509)	487	-	203,886
Reserve for replacement of furniture, fixtures and equipment	127,526	28,669	-	-	156,195
Lease Liability		(5,230)	-		(5,230)
Interest Expense		20,581			20,581
Change in Tax rates		236,948			236,948
Total deferred tax assets	338,434	273,459	487	-	612,380
Deferred tax liabilities					
Depreciation and amortization - net	(67,305)	1,476		-	(65,829)
Translation adjustments	(20,624)			11,102	(9,522)
Net deferred tax assets	**250,505**	**274,935**	**487**	**11,102**	**537,029**

	Consolidated				
	1-Apr-2018 $	**Profit or loss $**	**Other comprehensive income $**	**Translation Adj. $**	**31-Mar-19 $**
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**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

	Parent			
	1-Apr-2019 $	**Profit or loss $**	**Other comprehensive income $**	**31-Mar-20**
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	**-**	**-**	**-**	**-**

	Parent			
	1-Apr-2018 $	**Profit or loss $**	**Other comprehensive income $**	**31-Mar-19**
Deferred tax assets				
Employee benefits liability	-	-	-	-
Reserve for replacement of furniture, fixtures and equipment	-	-	-	-
Total deferred tax assets	-	-	-	-
Deferred tax liabilities				
Depreciation and amortization - net	-	-	-	-
Net deferred tax assets	**-**	**-**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

5. Directors' Remuneration

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Fees	-	-	-	-
Other emoluments	-	-	-	-
	-	-	-	-

6. Investments

Investments in Subsidiaries

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Unlisted shares	**-**	**-**	**89,043,714**	**89,043,714**

Investments in Associates

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Oberoi Mauritius Limited	4,030,489	4,705,902	4,867,500	4,867,500
La Roseraie De L'Atlas SA	20,333,954	17,745,573	-	-
	24,364,443	**22,451,475**	**4,867,500**	**4,867,500**

Other Investments

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Tourism Investment Co. Sal Hasheesh	5,085,536	5,085,536	764,000	764,000
	5,085,536	**5,085,536**	**764,000**	**764,000**

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Total investments	**29,449,979**	**27,537,011**	**94,675,214**	**94,675,214**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

Details of the subsidiaries are as follows:

Name	Place of incorporation	Percentage of equity attributable to the Company		Principal Activities	Directors
		Directly	Indirectly		
EIH Holdings Ltd	British Virgin Island	100	-	Hotel investment and management	Mr. P. R. S. Oberoi Mr. D. Madhok Mr. P. Selvadurai
PT Widja Putra Karya	Indonesia	21.11	48.89	Hotel ownership	I Wayan Pasek I Made Sutarjana Mr Deepak Madhok
PT Waka Oberoi Indonesia	Indonesia	5.74	90.59	Hotel ownership	I Wayan Pasek I Ketut Siandana Mr Deepak Madhok
EIH Investment N.V	Netherlands Antilles	-	100	Investment and management	Intertrust (Curacao) B.V.
EIH Management Services B.V. (Liquidated 18th Feb 2020)	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 2020

(Expressed in United States dollars)

7. Property, Plant and Equipment

	Consolidated							
	Freehold Land	**Freehold Buildings**	**Right of Use Asset**	**Plant and Equip-ment**	**Furniture & Fittings**	**Motor Vehicles**	**Project Expenses**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Cost								
At 1 April 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)	(5,638)	(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**
Additions	-	555,838	3,104,882	72,187	43,102	56,703	220,506	4,053,218
Transfers	-	576,088	-	-	-	-	(576,088)	-
Disposals	-	-	-	-	-	(28,186)	(94,376)	(122,562)
Foreign Exchange	(50,681)	(852,187)	(405,130)	(338,520)	(400,389)	(21,990)	(54,971)	(2,123,868)
At 31 March 2020	**5,411,600**	**5,691,260**	**2,699,752**	**2,260,700**	**2,684,786**	**211,304**	**1,481,174**	**20,440,576**
Depreciation								
At 1 April 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)**
Depreciation Expense	-	(197,973)	(80,561)	(125,836)	(187,354)	(21,823)	-	(613,547)
Foreign Exchange	-	353,351	11,093	259,850	345,688	10,993	-	980,975
Disposals	-	-	-	-	-	28,186	-	28,186
At 31 March 2020	**-**	**(2,372,109)**	**(69,468)**	**(1,744,344)**	**(2,320,674)**	**(141,949)**	**-**	**(6,648,544)**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

	Consolidated		Parent	
	31-Mar-20 $	31-Mar-19 $	31-Mar-20 $	31-Mar-19 $
Freehold Land				
At Cost	5,411,600	5,462,281	-	-
Accumulated depreciation	-	-	-	-
	5,411,600	**5,462,281**	**-**	**-**
Freehold Buildings				
At Cost	5,691,260	5,411,521	-	-
Accumulated depreciation	(2,372,109)	(2,527,487)	-	-
	3,319,151	**2,884,034**	**-**	**-**
Right of Use Asset				
At Cost	2,699,752	-	-	-
Accumulated depreciation	(69,468)	-	-	-
	2,630,284	**-**	**-**	**-**
Plant and Equipment				
At Cost	2,260,700	2,527,033	-	-
Accumulated depreciation	(1,744,344)	(1,878,358)	-	-
	516,356	**648,675**	**-**	**-**
Furniture & Fittings				
At Cost	2,684,786	3,042,073	-	-
Accumulated depreciation	(2,320,674)	(2,479,008)	-	-
	364,112	**563,065**	**-**	**-**
Motor Vehicles				
At Cost	211,304	204,777	-	-
Accumulated depreciation	(141,949)	(159,305)	-	-
	69,355	45,472	-	-
Project Expenses	**1,481,174**	**1,986,103**	**-**	**-**
Total property, plant and equipment, net	**13,792,032**	**11,589,630**	**-**	**-**
At cost	20,440,576	18,633,788	-	-
Accumulated depreciation	(6,648,544)	(7,044,158)	-	-
Written Down Value	**13,792,032**	**11,589,630**	**-**	**-**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

8. Intangible Assets

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Goodwill	**30,738,758**	30,738,758	**-**	-
Management contracts	**36,400,000**	36,400,000	**-**	-
Less: accumulated amortisation	**(8,190,000)**	(7,280,000)	**-**	-
Management contracts, net	**28,210,000**	29,120,000	**-**	-
	58,948,758	59,858,758	**-**	-

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 2020, the recoverable amount of the hotel ownership, operation and management CGU was determined using a value-in-use calculation based on cash flow projections and financial budgets approved by senior management.

The key assumptions used in the value-in-use calculation are the forecast earnings, management fees, sales and marketing fees receivable from the CGU, the discount rate applied to the projected cash flows and the growth rate assumption on the value-in-use calculation.

A range of discount rates were considered and applied to the cash flow projections, from 11% to 12.5% and cash flows beyond the five-year period were projected using a terminal growth rate ranging from 3.0% to 3.5%, which is consistent with the long-term average growth rate of the industry.

None of the scenarios tested resulted in an impairment of the carrying value of the assets of the CGU or the Group’s intangible assets.

Notes to the Financial Statements *(Contd...)* For the year ended 31 March 2020

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
Mr. Sudipto Sarkar	EIH Flight Services Limited
Parent Company	**Associates & Joint Ventures**
EIH Limited	**(a) Associates**
	La Roseraie De L'atlas
Subsidiaries	**(b) Joint Ventures**
EIH Holdings Ltd	Oberoi Mauritius Ltd
EIH Investments N.V.	**(c) Subsidiary of Joint Venture**
EIH Management Services B.V. (upto 18th February 2020)	Island Resort Ltd
PT Widja Putra Karya	
PT Waka Oberoi Indonesia	**Associates & Joint Ventures of parent entity**
PT Astina Graha Ubud	**(a) Associates**
	EIH Associated Hotels Limited
	Usmart Education Limited (w.e.f. 31st July, 2018)
	Mercury Travels Limited (Upto 7th August, 2018)
	(b) Joint Ventures
	Mercury Car Rentals Private Limited
	(c) Subsidiary of Associate
	Usmart Education Limited (Upto 30th July, 2018)

Notes to the Financial Statements *(Contd...)* For the year ended 31 March 2020

(Expressed in United States dollars)

(b) Transactions with Related Parties for the year ended March 31, 2020

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture	
	2020	2019	**2020**	2019	**2020**	2019
	$	$	**$**	$	**$**	$
PURCHASES						
Purchase of Goods & Services						
EIH Ltd	**23,734**	218,036	**-**	-	**-**	-
EIH Flight Services	**-**	-	**1,895**	1,993	**-**	-
EIH Associated Hotels Ltd	**-**	-	**-**	-	**560**	798
Mercury Travels Ltd	**-**	-	**-**	-	**-**	5,508
Island Resorts Ltd	**-**	-	**-**	-	**29,478**	16,725
Total	**23,734**	**218,036**	**1,895**	**1,993**	**30,038**	**23,031**
SALES						
Sale of Goods and Services						
EIH Ltd	**39,406**	44,171	**-**	-	**-**	-
EIH Flight Services	**-**	-	**9,435**	3,163	**-**	-
Mumtaz Hotels Ltd	**-**	-	**-**	1,152	**-**	-
Island Resorts Ltd	**-**	-	**-**	-	**9,169**	11,040
Total	**39,406**	**44,171**	**9,435**	**4,315**	**9,169**	**11,040**
INCOME						
Management Fees						
Island Resorts Ltd	**-**	-	**-**	-	**347,548**	448,818
Group Sales & Marketing						
Island Resorts Ltd	**-**	-	**-**	-	**180,719**	206,574
Interest						
Oberoi Mauritius Ltd	**-**	-	**-**	-	**367,004**	454,519
Total	**-**	**-**	**-**	**-**	**895,271**	**1,109,911**
FINANCE PAYMENTS						
Dividend on Equity Shares						
EIH Ltd	**1,000,000**	2,000,000	**-**	-	**-**	-
Investment in Equity Shares						
La Roseraie D'Atlas	**-**	-	**-**	-	**3,979,000**	12,847,500
Advance to Related Party						
Oberoi Mauritius Ltd	**-**	-	**-**	-	**367,004**	454,519
La Roseraie D'Atlas	**-**	-	**-**	-	**3,979,000**	55,000
Total	**1,000,000**	**2,000,000**	**-**	**-**	**8,325,004**	**13,357,019**
RECEIPTS						
Investment in Equity Shares						
EIH Ltd	**-**	10,000,000	**-**	-	**-**	-
Repayment of Advance to Related Party						
Oberoi Mauritius Ltd	**-**	-	**-**	-	**-**	4,125,314
La Roseraie D'Atlas	**-**	-	**-**	-	**3,979,000**	4,997,500
Total	**-**	**10,000,000**	**-**	**-**	**3,979,000**	**9,122,814**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

(c) Outstanding Balances as on March 31, 2020

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associate / Joint Venture	
	2020	2019	**2020**	2019	**2020**	2019
Receivable for Goods & Services						
EIH Ltd	**1,948**					
Island Resorts Ltd	**-**	-	**-**	-	**-**	49,553
Advance to Related Party						
Oberoi Mauritius Ltd	**-**	-	**-**	-	**6,483,724**	6,116,721
La Roseraie D'Atlas	**-**	-	**-**	-	**70,500**	70,500
Total	**1,948**	**-**	**-**	**-**	**6,554,224**	**6,236,774**
Payable for Goods & Services						
EIH Ltd	**3,286**					
Total	**3,286**					

10. Cash and Cash Equivalents

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19** $	**31-Mar-20 $**	**31-Mar-19** $
Cash at Bank	**7,363,259**	12,369,727	**3,759,965**	3,794,971
Cash on hand	**9,806**	11,449	**-**	-
	7,373,065	**12,381,176**	**3,759,965**	**3,794,971**

11. Receivables

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Trade receivables	**291,216**	605,000	**-**	-
Other receivables	**-**	18,850	**-**	-
	291,216	**623,850**	**-**	**-**

12. Payables

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Third parties	**2,663,910**	2,931,563	**60,000**	50,000
Related parties	**-**	-	**-**	-
	2,663,910	**2,931,563**	**60,000**	**50,000**

Notes to the Financial Statements *(Contd...)* For the year ended 31 March 2020

(Expressed in United States dollars)

13. Long-term Employee Benefits Liability

The Group's long-term employee benefits liability consists only of post-employment benefits.

Employees of the Group relate to subsidiary company operations which are domiciled in Indonesia, as such the post-employment benefits to its employees are based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The components of post-employment benefits expense recognized in the statement of profit or loss and other comprehensive income and post-employment benefits liability recognized in the statement of financial position as determined by PT Lastika Dipa, an independent firm of actuary, in their reports dated 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	8.73% in 2020 and 8.70% in 2019	8.73% in 2020 and 8.54% in 2019
Annual salary increase	8.5% in 2020 and 2019	8.00% per annum in 2020 and 2019
Mortality	TMI III	TMI III
Retirement age	55 years old	55 years old
Disability rate	5% of morality table TMI III	10% morality table TMI III

As of March 31, 2020, 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$66,467/ US$76,396.

a. Details of post-employment benefits expense:

	Consolidated		**Parent**	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Current service cost	**84,768**	68,309	**-**	-
Interest cost	**67,280**	62,020	**-**	-
Total post-employee Benefits expense	**152,048**	130,329	**-**	-

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

b. Details of post-employment benefits liability:

	Consolidated		Parent	
	31-Mar-20 $	31-Mar-19 $	31-Mar-20 $	31-Mar-19 $
Present value of defined Benefits obligation	**912,778**	1,045,406	**-**	-
Unrecognized past service cost - unvested	**-**	-	**-**	-
Unrecognized actuarial loss	**-**	-	**-**	-
Employee benefit liability	**912,778**	1,045,406	**-**	-

c. Movements in post-employment benefits liability are as follows:

	Consolidated		Parent	
	31-Mar-20 $	31-Mar-19 $	31-Mar-20 $	31-Mar-19 $
Beginning balance	**1,045,406**	986,023	**-**	-
Provision during the year	**152,048**	130,329	**-**	-
Payment during the year	**(149,711)**	(58,371)	**-**	-
Actuarial loss (gain) from Experience adjustment	**(19,661)**	60,523	**-**	-
Change in financial assumption	**10,702**	(40,503)	**-**	-
Translation adjustment	**(126,006)**	(32,595)	**-**	-
Employee benefit liability	**912,778**	1,045,406	**-**	-

14. Leases

The Group has entered into lease contracts of land in its operations in Indonesia wherein the lease term is valid from 2019 to 2057. The Group also has certain lease of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The following are the amounts recognized in statement of profit or loss and other comprehensive income:

	Consolidated	Parent
	31-Mar-20 $	31-Mar-20 $
Depreciation expense of rights-of-use assets included in fixed assets	**80,561**	-
Interest expense on lease liabilities	**93,549**	-
Expense related to short-term lease leases included in general administrative expenses	**21,254**	-
Total	**195,364**	-

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

The roll forward analysis of lease liabilities as follows:

	Consolidated	Parent
	31-Mar-20 $	**31-Mar-20 $**
As at April 1, 2019	**2,688,199**	-
Addition		
Interest expense	**93,549**	-
Payments	**(72,090)**	-
Foreign exchange loss (gain)	**-**	-
Total	**2,709,658**	-
Less current maturities portion	**(98,073)**	-
Net of current portion	**2,611,585**	-

Shown below is the maturity analysis of the undiscounted lease payments:

	Consolidated	Parent
	31-Mar-20 $	**31-Mar-20 $**
1 year	**107,386**	-
More than 1 years to 2 years	**214,771**	-
More than 2 years to 3 years	**214,771**	-
More than 3 years to 4 years	**219,067**	-
More than 5 years	**6,083,636**	-
Net of current portion	**6,839,631**	-

15. Contributed Equity

Share Capital

	Consolidated		Parent	
	31-Mar-20 $	**31-Mar-19 $**	**31-Mar-20 $**	**31-Mar-19 $**
Issued and fully paid: 106,607,800 (2019: 106,607,800) ordinary shares	106,607,800	106,607,800	106,607,800	106,607,800

	Consolidated		Parent	
	Number of Shares	**$**	**Number of Shares**	**$**
As at 31 March 2018	**96,607,800**	**96,607,800**	**96,607,800**	**96,607,800**
Shares 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**
Share issued	-	-	-	-
As at 31 March 2020	**106,607,800**	**106,607,800**	**106,607,800**	**106,607,800**

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

16. Non-controlling interest

	Consolidated		Parent	
	31-Mar-20 $	31-Mar-19 $	31-Mar-20 $	31-Mar-19 $
Contributed equity	**4,328,797**	4,328,797	**-**	-
Translation reserve	**(1,363,399)**	(950,356)	**-**	-
Dividend paid	**-**	(240,000)	**-**	-
Retained earnings	**(881,405)**	(875,957)	**-**	-
Current year profit	**(4,720)**	(5,448)	**-**	-
	2,079,273	2,257,036	**-**	-

17. Financial Risk Management Objectives and Policies

Foreign currency risk
The Group has investments in entities with transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group does not 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	Increase/ (decrease) in equity
	%	US$	US$
2020			
If the US dollar weakens against the Rupiah	5	21,835	117,456
If the US dollar strengthens against the Rupiah	(5)	(21,835)	(117,456)
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)

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.

Notes to the Financial Statements *(Contd...)*
For the year ended 31 March 2020

(Expressed in United States dollars)

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:

	2020		
	On demand US$	**Over 1 year US$**	**Total US$**
Trade and other payables	2,663,910	-	2,663,910
Provision for taxation	71,202	-	71,202
Amounts due to related parties	3,120,000	-	3,120,000

	2019		
	On demand US$	**Over 1 year US$**	**Total US$**
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

Capital management
The Company's primary objective for its own capital management aligns with its management of liquidity risk (see above) and is to safeguard its ability to continue as a going concern, and the Company may issue new shares to maintain or adjust its capital structure.

The Company is not subject to any externally imposed capital requirements and there were no changes in the objectives, policies or processes during the year. Capital of the Company comprises all components of shareholder's equity.

18. Events After Statement of Financial Position Date

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

19. Commitments and Contingencies

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 2020;

(b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Group at 31 March 2020; 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.

21 May 2020

DEEPAK MADHOK
Director

EIH HOLDINGS LTD

BOARD

Mr. P. R. S. Oberoi
Mr. Deepak Madhok
Mr. Pathmanaban Selvadurai

AUDITORS

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

REGISTERED OFFICE

Commerce House
Romasco Place, Wickhams Cay 1,
Road Town, Tortola,
British Virgin Islands

DIRECTORS' REPORT

DIRECTORS

The directors have pleasure in submitting the Statement of Financial Position of EIH Holdings Ltd (the 'Company') as at 31 March 2020, 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 $632,416 (2019: $$1,155,381) after provision for income tax expense of $170,383 (2018: $238,560).

EVENTS AFTER THE BALANCE DATE

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material matters or circumstances have arisen since the end of the year that requires disclosure in the financial statements.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The operations of the company have been impacted by the outbreak of Novel Coronavirus (COVID-19), with the operations of hotels impacted by the restrictions in place in each jurisdiction. The company continues to monitor the ongoing COVID-19 outbreak and its impact on hotel occupancy rates.

DIVIDENDS

During the year a dividend totalling $1,000,000 (2019: $2,000,000) was declared and paid.

DIRECTORS' REMUNERATION

No director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements or the fixed salary of a full-time employee of the Company or a related body corporate, by reason of a contract made by the Company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

AUDITOR'S INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

This report has been made in accordance with a resolution of directors.

DEEPAK MADHOK
Director

19 May 2020

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 2020, 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 2020, 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
19 May 2020

Statement of Comprehensive Income
For the year ended 31 March 2020

(Expressed in United States dollars)

	Note	**31-Mar-20**	31-Mar-19
		$	$
Continuing Operations			
Turnover	3	**2,466,327**	2,792,273
Cost of sales		**-**	-
Gross profit		**2,466,327**	2,792,273
Operating Expenses			
Administration and general expenses		**1,319,555**	1,306,982
Project development expenses		**11,713**	83,889
Total Operating Expenses		**1,331,268**	1,390,871
Other Income/(Expense)			
Other income/(expense)		**(1,843)**	(7,461)
Impairment of Investments/Receivables		**(330,417)**	-
Total Other Income/(Expense)		**(332,260)**	(7,461)
Profit before taxation	4	**802,799**	1,393,941
Taxation	5	**(170,383)**	(238,560)
Profit after taxation		**632,416**	1,155,381
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income		**632,416**	1,155,381

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

Statement of Financial Position
As at 31 March 2020

(Expressed in United States dollars)

	Note	**31 March 2020** **$**	31 March 2019 $
Non-Current Assets			
Investments	7	**44,631,099**	40,658,099
Amount due from related parties	8	**2,738,739**	2,838,610
		47,369,838	43,496,709
Current Assets			
Cash and cash equivalents	9	**2,987,583**	7,837,176
Receivables	10	**2,135,497**	1,478,052
Total Current Assets		**5,123,080**	9,315,228
Total Assets		**52,492,918**	52,811,937
Current Liabilities			
Payables	11	**224,158**	175,592
Total Current Liabilities		**224,158**	175,592
Non-Current Liabilities			
Amount due to related parties	8	**106,522**	106,522
Total Non-Current Liabilities		**106,522**	106,522
Total Liabilities		**330,680**	282,114
Total Net Assets		**52,162,238**	52,529,823
Equity			
Share Capital	12	**47,085,714**	47,085,714
Retained Earnings		**5,076,524**	5,444,108
Total Equity		**52,162,238**	52,529,822

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 2020

(Expressed in United States dollars)

	Note	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2019	**12**	**47,085,714**	**5,444,108**	**52,529,822**
Profit for year		-	632,416	632,416
Other Comprehensive income		-	-	-
Issue of capital		-	-	-
Dividend paid		-	(1,000,000)	(1,000,000)
As at 31 March 2020	**12**	**47,085,714**	**5,076,524**	**52,162,238**

	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		-	(2,000,000)	(2,000,000)
As at 31 March 2019	**13**	**47,085,714**	**5,444,108**	**52,529,822**

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 2020

(Expressed in United States dollars)

	31 March 2020	31 March 2019
	$	$
Cash flows from operating activities		
Profit before taxation	**802,799**	1,393,941
Adjustment for:		
Interest income	**(124,715)**	(154,474)
Dividend income	**(16,695)**	(156,448)
Impairment of Investments/Receivables	**330,417**	-
Other	**1,843**	7,461
(Increase)/Decrease in assets:		
Decrease/(increase) in receivables	**(969,909)**	(990,777)
Decrease/(increase) in related parties	**212,631**	1,329,518
(Decrease)/Increase in liabilities:		
(Decrease)/increase in payables	**48,567**	54,189
Cash generated from operations	**284,938**	1,483,410
Tax paid	**(170,383)**	(238,560)
Net cash flows from operating activities	**114,555**	1,244,850
Cash flows from investing activities		
Dividends paid	**(1,000,000)**	(2,000,000)
Dividend income	**16,695**	156,448
Increase in investments	**(3,979,000)**	(7,834,500)
Interest received	**-**	-
Net cash flows from/(used by) investing activities	**(4,962,305)**	(9,678,052)
Cash flows from financing activities		
Payments on loans provided to related parties	**-**	-
Issue of share capital	**-**	10,000,000
Proceeds from related party borrowings	**-**	-
Net cash flows used by financing activities	**-**	10,000,000
Net increase (decrease) in cash and cash equivalents	**(4,847,750)**	1,566,798
Cash and cash equivalents at beginning of year	**7,837,176**	6,277,839
Effect of exchange rate changes on cash balances	**(1,843)**	(7,461)
Cash and cash equivalents at end of year (Note 9)	**2,987,583**	7,837,176

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 2020

(Expressed in United States dollars)

1. Corporate information

The financial report of EIH Holdings Ltd (the "Company") for the year ended 31 March 2020 was authorised for issue on 19 May 2020.

EIH Holdings Ltd is a company limited by shares and incorporated in British Virgin Island. The principal activity of the Company during the course of the year was investment and management.

The immediate holding company is EIH International Ltd, and the ultimate parent of the Company is EIH Limited, a company incorporated in India.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation
The financial report has been prepared in accordance with the requirements of International Financial Reporting Standards ('IFRS'), except as outlined below.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in United States dollars and all values are rounded to the nearest dollars unless otherwise stated.

(b) Compliance with IFRS
The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board, with the following exceptions:

- IFRS 10 "Consolidated Financial Statements", as consolidated financial statements have not been prepared.
- IFRS 9 "Financial Instruments" On the basis the company carries its unlisted equity investments at cost, as it is not practicable to accurately calculate fair value.

(c) Changes in accounting policies and disclosures
The following accountant standards became effective for the first time during the period:

IFRS 16 Leases

IFRS 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under IFRS 117 Leases. 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).

Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees 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 is substantially unchanged from today's accounting under IFRS 117. Lessors will continue to classify all leases using the same classification principle as in IFRS 117 and distinguish between two types of leases: operating and finance leases.

Management have assessed the impact of the new standard and believe the impact on the year end report to be immaterial.

Notes to the Financial Statements *(Contd...)*

Remaining accounting policies adopted are consistent with those of the previous financial year.

(d) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into United States dollars at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost.

(g) Investments

As outlined in Note 2 b), the Company's unlisted equity investments are recorded at cost on acquisition less any permanent diminution in value as there is no quoted market price in an active market the fair value cannot be reliably measured. The Company does not intend to dispose its investment in the near future.

(h) Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investments in its associate and joint venture are accounted for at cost, less provision for any permanent diminution in value.

This is on the basis that the entity has exercised the exemption in IAS 28 to not apply equity accounting for investments in associated and joint ventures.

(i) Payables

Payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(k) Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred taxation is calculated under the liability method in respect of the taxation effect arising from all timing differences between profit as computed for taxation purposes and profit as stated in the financial statements which are expected with reasonable probability to crystallise in the foreseeable future.

(l) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services:

(i) Rendering of Services

Revenue from management and service fees received as hotel operators and managers for services rendered is recognised by reference to the billing to the customers.

(ii) Interest Income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(n) Key judgements and estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. The extent and duration of impacts of COVID 19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID 19 on business, tourism, hotel and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, we estimate a possible scenario of normal business conditions returning gradually after 6 months and thereafter stabilising in the last quarter of financial year end 2021. In the following financial year end 2022 it is estimated that the normalcy would return.

Notes to the Financial Statements *(Contd...)*

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-Mar-20	31-Mar-19
	$	$
Hotel management fees	**1,301,025**	1,436,551
Sales and marketing	**951,908**	994,450
Royalty	**72,794**	50,350
Dividends	**16,695**	156,448
Interest	**124,715**	154,474
	2,466,327	2,792,273

4. Profit Before Taxation

Profit before taxation is arrived at after charging and crediting:

	31-Mar-20	31-Mar-19
	$	$
Interest income (Note 3)	**124,715**	154,474
Auditor remuneration		
- audit of financial report	**14,000**	13,250
- accounting advice	**-**	-
	14,000	13,250

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-Mar-20	31-Mar-19
	$	$
Profit before tax	**802,799**	1,393,941
Tax at the statutory tax rate of Nil% (2019: Nil%)	**-**	-
Tax rate differential in foreign countries	**170,383**	238,560
Tax expense	**170,383**	238,560

Notes to the Financial Statements *(Contd...)*

6. Directors' Remuneration

	31-Mar-20 $	31-Mar-19 $
Fees	**-**	-
Other emoluments	**-**	-
	-	-

7. Investments

Investments in Subsidiaries

	31-Mar-20 $	31-Mar-19 $
Unlisted shares,		
PT Astina Graha Ubud	**1,560,000**	1,560,000
PT Widja Putra Karya	**8,800,000**	8,800,000
PT Waka Oberoi Indonesia	**7,338,073**	7,338,073
	17,698,073	17,698,073

Details of the subsidiaries are as follows:

Name	**Place of incorporation**	**Percentage of equity attributable to the Company**		**Principal Activities**	**Directors**
		Directly	Indirectly		
PT Widja Putra Karya	Indonesia	48.89	-	Hotel ownership	I Wayan Pasek I Made Sutarjana Mr Deepak Madhok
PT Waka Oberoi Indonesia	Indonesia	90.59	-	Hotel ownership	Mr I Ketut Siandana Mr I Wayan Pasek Mr Deepak Madhok
PT Astina Graha Ubud	Indonesia	60	-	Hotel development	Mr I Wayan Pasek Mr Tjokorda Raka- Kerthayasa Mr Deepak Madhok
EIH Investments N.V.	Netherlands Antilles	100	-	Investment and management	Intertrust (Curacao) BV
EIH Management Services B.V. (Liquidated 18th Feb 2020)	Netherlands	-	100	Hotel management and investment	TMF Management B.V.

Notes to the Financial Statements *(Contd...)*

Investments in Associates and Joint Ventures

	31-Mar-20	31-Mar-19
	$	$
La Roseraie De L'Atlas SA	**22,550,500**	18,571,500
Oberoi Mauritius Ltd	**2,507,500**	2,507,500
	25,058,000	21,079,000

Investments associates and joint ventures and are carried at cost, less provision for any permanent diminution in value.

Other Investments

	31-Mar-20	31-Mar-19
	$	$
Tourism Investment Co. at Sahl Hasheesh	**1,875,026**	1,875,026
EIH Investments N.V.	**-**	6,000
	1,875,026	1,881,026

	31-Mar-20	31-Mar-19
	$	$
Total investments	**44,631,099**	40,658,099

8. **Related Parties**

(a) List of Related Parties

In accordance with the requirements of International Accounting Standard (IAS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them in the ordinary course of business and on arms' length basis are given below:

Key Management Personnel of the company	**Fellow Subsidiaries**
Mr. P.R.S. Oberoi	Mumtaz Hotels Limited
Mr. Deepak Madhok	Mashobra Resort Limited
Mr. Pathmanaban Selvadurai	Oberoi Kerala Hotels and Resorts Limited
	EIH Flight Services Limited

Ultimate Parent Company	**Associates & Joint Ventures**
EIH Limited	**(a) Associates**
	La Roseraie De L'atlas
Parent Company	**(b) Joint Ventures**
EIH International Limited	Oberoi Mauritius Ltd
	(c) Subsidiary of Joint Venture
	Island Resort Ltd

Notes to the Financial Statements *(Contd...)*

Subsidiaries

EIH Investments N.V.

EIH Management Services B.V. (upto 18th February 2020)

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)

Usmart Education Limited (w.e.f. 31st July 2018)

(b) Joint Ventures

Mercury Car Rentals Private Limited

(c) Subsidiary of Associate

Usmart Education Limited (Upto 30th July 2018)

(b) Transactions with Related Parties for the year ended March 31, 2020

NATURE OF TRANSACTIONS	Parent Company		Subsidiaries		Associate / Joint Venture	
	2020	2019	2020	2019	2020	2019
INCOME						
Management Fees						
Island Resorts Ltd	-	-	-	-	347,548	448,818
PT Widja Putra Karya	-	-	108,527	132,614	-	-
Group Sales & Marketing						
Island Resorts Ltd	-	-	-	-	180,719	206,574
PT Widja Putra Karya	-	-	183,948	203,704	-	-
PT Waka Oberoi Indonesia	-	-	43,600	28,618	-	-
Interest						
Oberoi Mauritius Ltd	-	-	-	-	124,715	154,474
Dividends						
PT Widja Putra Karya	-	-	-	156,448	-	-
Total	**-**	**-**	**336,075**	**521,384**	**652,982**	**809,866**

Notes to the Financial Statements *(Contd...)*

8. Amounts Due from Related Companies (continued)

(b) Transactions with Related Parties for the year ended March 31, 2020 (continued)

NATURE OF TRANSACTIONS	Parent Company		Subsidiaries		Associate / Joint Venture	
	2020	2019	2020	2019	2020	2019
FINANCE PAYMENTS						
Dividend on Equity Shares						
EIH International Ltd	1,000,000	2,000,000	-	-	-	-
Investment in Equity Shares						
La Roseraie D'Atlas	-	-	-	-	3,979,000	12,847,500
PT Widja Putra Karya	-	-	-	8,800,000	-	-
PT Waka Oberoi Indonesia	-	-	-	7,338,073	-	-
Advance to Related Party						
Oberoi Mauritius Ltd	-	-	-	-	124,715	155,474
La Roseraie D'Atlas	-	-	-	-	3,979,000	55,000
PT Astina Graha Ubud	-	-	3,513	22,119	-	-
Total	**1,000,000**	**2,000,000**	**3,513**	**16,160,192**	**8,082,715**	**13,056,974**
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 D'Atlas	-	-	-	-	3,979,000	4,997,500
Total	**-**	**10,000,000**	**-**	**16,138,073**	**3,979,000**	**6,400,107**

c) Outstanding Balances as on March 31, 2020

NATURE OF TRANSACTIONS	Parent Company		Subsidiaries		Associate / Joint Venture	
	2020	2019	2020	2019	2020	2019
RECEIVABLES						
For Goods & Services						
Island Resorts Ltd	-	-	-	-	-	49,553
PT Widja Putra Karya	-	-	60,784	16,232	-	-
PT Waka Oberoi Indonesia	-	-	92,475	48,876	-	-
Advance to Related Party						
PT Waka Oberoi Indonesia	-	-	1,782,038	970,568	-	-
PT Astina Graha Ubud	-	-	464,948	461,435	-	-
Oberoi Mauritius Ltd	-	-	-	-	2,203,291	2,078,576
EIH Management Services	-	-	-	19,904	-	-
La Roseraie D'Atlas	-	-	-	-	70,500	70,500
Total	**-**	**-**	**2,400,245**	**1,517,015**	**2,273,791**	**2,198,629**
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-Mar-20	31-Mar-19
	$	$
Cash at Bank	**2,987,583**	7,837,176

10. Receivables

Trade receivables	**2,125,497**	1,478,052
	2,125,497	1,478,052

11. Payables

Third parties	**224,158**	175,593
	224,158	175,593

12. Share Capital

	31-Mar-20	31-Mar-19
	$	$
Issued and fully paid: 47,085,714 ordinary shares	**47,085,714**	47,085,714

	Number of Shares	**$**
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**
Shares issued	-	-
As at 31 March 2020	**47,085,714**	**47,085,714**

13. Events After Statement of Financial Position Date

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

No other material subsequent events or transactions have been identified.

14. Commitments and Contingencies

There are no other outstanding commitments and contingencies at year end.

In the opinion of the directors:

(a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the result of the Company for the year ended 31 March 2020;

Directors' Statement

(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 2020; and

(c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of directors.

19 May 2020

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

Kaya W.F.G. (Jombi)
Mensing 14, 2nd Floor,
Curacao,
Netherlands Antilles

DIRECTOR'S REPORT

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2020.

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 profit of the Company for the year was $253,446 (2019 loss of $416,798) after providing for income tax of $nil (2019: $1,962).

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

The Company has commenced the process of an orderly wind up and is expected to be liquidated shortly.

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 (2019: $nil).

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
12 May 2020 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 position as at 31 March 2020, 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 2020, and its financial performance for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist the directors of 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.

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
12 May 2020

ERNST & YOUNG
Adelaide

Statement of Comprehensive Income
For the year ended 31 March 2020

(Expressed in United States dollars)

	31 March 2020	31 March 2019
	$	$
Revenue		
Royalty Income	**-**	142,596
Expenses		
Royalty expenses	**-**	132,614
Administration and general expenses	**28,777**	16,206
Total expenses	**28,777**	148,820
Other Income/(Expense)		
Dividend income	**-**	-
Impairment of receivable / investment	**(42,194)**	(408,612)
Waiver of Loan	**324,417**	-
Total Other Income	**282,223**	(408,612)
Profit/(Loss) before taxation	**253,446**	(414,836)
Taxation (expense)/benefit	**-**	(1,962)
Profit/(Loss) after Taxation	**253,446**	(416,798)
Other Comprehensive Income	**-**	-
Total Comprehensive Income	**253,446**	(416,798)

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

Statement of Financial Position
As at 31 March 2020

(Expressed in United States dollars)

	Note	**31 March 2020**	31 March 2019
		$	$
Non-Current Assets			
Investment in subsidiary	3	**-**	-
Total Non-Current Assets		**-**	-
Total Assets		**-**	-
Current Liabilities			
Amount due to shareholder		**-**	208,195
Amount due to related company		**-**	25,347
Total Current Liabilities		**-**	233,542
Non-Current Liabilities			
Amount due to shareholder	4	**-**	19,904
Total Non-Current Liabilities		**-**	19,904
Total Liabilities		**-**	253,446
Net Assets		**-**	(253,446)
Shareholders' Equity:			
Share capital	1	**6,000**	6,000
Retained earnings		**(6,000)**	(259,446)
		-	(253,446)

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 2020

(Expressed in United States dollars)

	Note	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2019	**1**	**6,000**	**(259,446)**	**(253,446)**
Profit for year		-	253,446	253,446
Other comprehensive income		-	-	-
Dividend paid		-	-	-
As at 31 March 2020	**1**	**6,000**	**(6,000)**	**-**

	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)**

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 2020

(Expressed in United States dollars)

1. Corporate information

The financial report of EIH Investment N.V. (the "Company") for the year ended 31 March 2020 was authorised for issue on 12 May 2020.

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.

The financial statements have been prepared on a liquidation basis as the company has commenced the processes of an orderly wind up.

(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 16 Leases

IFRS 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under IFRS 117 Leases. The standard includes two recognition

Notes to the Financial Statements *(Contd...)*

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).

Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees 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 is substantially unchanged from today's accounting under IFRS 117. Lessors will continue to classify all leases using the same classification principle as in IFRS 117 and distinguish between two types of leases: operating and finance leases.

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.

The subsidiary entered into liquidation on 7th November 2019 and was deregistered on 18th February 2020. The subsidiary did not have any assets and the amount reported as investment in subsidiary is nil.

4. Amount Due to Shareholder

The Company has no loans in the current year as the balance of the loan was waived by the shareholder during the period (2019:US$19,904 from EIH Holdings Ltd which was unsecured).

5. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified.

6. Commitments and Contingencies

There are no outstanding commitments and contingencies at year end.

7. Auditor's Remuneration

	31 March 2020	31 March 2019
	$	$
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 2020;

(b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2020; and

(c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of the Director.

Curaçao, 12 May 2020

Director

EIH MANAGEMENT SERVICES B.V.

ANNUAL FINANCIAL REPORT FOR CONSOLIDATION PURPOSES
31 MARCH 2020

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

Herikerbergweg 238,
Luna Arena,
1101 CM Amsterdam,
The Netherlands

DIRECTOR'S REPORT

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2020.

The name of the Company's Director in office during the year until the date of deregistration at 18 February 2020.

TMF Management B.V.
Herikerbergweg 238
Luna Arena
1101 CM Amsterdam
The Netherlands

The Director was in office for the entire period up to 18 February 2020.

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 €22,483 (2019: profit of €812,975) after providing for an income tax benefit of €2,874 (2019 tax expense: €3,138).

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

The Company's registration was terminated on 18 February 2020.

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 2020 (2019: €Nil).

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.

MANAGEMENT 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 2020;

(b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2020; and

(c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Melbourne Australia, 12 May 2020

Mr. Deepak Madhok

On behalf of EIH International Ltd Group.

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 2020, 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 2020, 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
12 May 2020	*Chartered Accountants*

Statement of Comprehensive Income
For the year ended 31 March 2020

(Expressed in Euros)

	Note	31 March 2020 €	31 March 2019 €
Turnover	3	-	162,767
Dividend income		-	-
Interest income		-	-
Total Income		**-**	**162,767**
Expenses			
Management fee expenses		-	123,165
Administration and other expenses		60,388	80,667
Unrealised foreign exchange loss / (gain)		3,115	768,772
Total Expenses		**63,503**	**972,604**
Other Income			
Waiver of loan gain / (loss)		38,146	-
Total Other Income		**38,146**	**-**
Profit / (loss) before Taxation		**(25,357)**	**(809,837)**
Taxation expense		(2,874)	3,138
Profit / (loss) after Taxation		**(22,483)**	**(812,975)**
Other Comprehensive Income		**-**	-
Total Comprehensive Income / (Loss)		**(22,483)**	**(812,975)**

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

The Company was deregistered on 18 February, 2020.

Statement of Financial Position
As at 31 March 2020

(Expressed in Euros)

	Note	31 March 2020 €	31 March 2019 €
Current Assets			
Cash and cash equivalents		-	-
Other receivables and prepayments		-	16,805
Amount due from related parties	4	-	22,597
Total Current Assets		-	39,402
Total Assets		-	39,402
Current Liabilities			
Accruals		-	16,919
Amount due to related parties	5	-	-
Total Current Liabilities		-	16,919
Non-Current Liabilities			
Amount due to shareholder	5	-	-
Total Non-Current Liabilities`		-	16,919
Total Liabilities		-	16,919
Net Assets / (Liabilities)		-	22,483
Equity:			
Issued Share capital		**18,200**	18,200
Share Premium		**375,000**	375,000
Retained earnings		**(393,200)**	(370,717)
Total Equity		-	22,483

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

The Company was deregistered on 18 February, 2020.

Statement of Changes in Equity
For the year ended 31 March 2020

(Expressed in Euros)

	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**

	Share Capital €	Retained Earnings €	Total Equity €
As at 1 April 2019	**393,200**	**(370,717)**	**22,483**
Loss for year	-	(22,483)	(22,483)
Dividend paid	-	-	-
Other comprehensive income	-	-	-
As at 31 March 2020	**393,200**	(393,200)	**-**

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

The Company was deregistered on 18 February, 2020.

Statement of Cash Flows
For the year ended 31 March 2020

(Expressed in Euro)

	Note	31 March 2020 €	31 March 2019 €
Cash flows from operating activities			
Profit/(Loss) before taxation		(22,483)	(812,975)
Adjustment for:			
Interest income		-	-
Unrealised foreign currency (gain)/loss		3,115	768,772
(Increase)/Decrease in assets:			
(Increase)/Decrease in receivables and prepayments		16,805	(29,818)
(Increase)/Decrease in related party receivables		19,482	3,684,306
(Increase)/Decrease in Investments		-	9,911,107
(Decrease)/Increase in liabilities:			
Increase/(decrease) in accruals		(16,919)	9,080
Increase/(decrease) in related party payables		-	(13,597,756)
Cash generated from operations		**-**	**(67,284)**
Interest paid		-	-
Net cash flows generated / (used) in operating activities		**-**	**(67,284)**
Cash flows from investing activities		-	-
Cash flows from financing activities		**-**	**-**
Net increase / (decrease) in cash and cash equivalents		**-**	**(67,284)**
Cash and cash equivalents at beginning of year		**-**	**67,284**
Cash and cash equivalents at end of year		**-**	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

The Company was deregistered on 18 February, 2020.

Notes to the Financial Statements For the year ended 31 March 2020

(Expressed in Euro)

1. Corporate information

The financial report of EIH Management Services B.V. (the "Company") for the year ended 31 March 2020 was authorised for issue on 1 May 2020.

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.

The Financial Statements have been prepared as a completion set of financial statement as the Company's registration was terminated on 18 February 2020.

(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.

Notes to the Financial Statements *(Contd...)*

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

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 16 Leases

IFRS 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under IFRS 117 Leases. 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).

Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees 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 is substantially unchanged from today's accounting under IFRS 117. Lessors will continue to classify all leases using the same classification principle as in IFRS 117 and distinguish between two types of leases: operating and finance leases.

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.

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. Amount due from related party

The prior period amount due from related party is comprised of an amount due from EIH Investments NV.

5. Amount due to related party

No amounts were owed to a related party at balance date (2019: €nil).

6. 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.

7. Appropriation of results

Management proposes to accumulate the net result for the year to the retained earnings.

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.

Notes to the Financial Statements *(Contd...)*

10. Auditor's Remuneration

	31-Mar-20 €	31-Mar-19 €
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 Made Sudarjana

AUDITORS

Purwanto, Sungkaro & Surja
A member firm of Ernst & Young Global Limited
Indonesia Stock Exchange Building
Tower 2, 7th Floor,
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190,
Indonesia

REGISTERED OFFICE

Jl. Kayu Aya – Seminyak Beach,
Kuta, Badung-Bali,
Indonesia

Report of The Directors

We present the report and the audited financial statements of PT Widja Putra Karya (the "Company") for the year ended March 31, 2020.

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, 2020 are set out in the financial statements on page 1 to 7 preceded by the Independent Auditors' Report.

Statement of Directors' responsibilities in respect of the financial statements
We are responsible for the preparation and the presentation of the financial statements, and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We are also responsible for the Company's internal control systems and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In Preparing the financial statements of the Company, we are required to;

- select suitable accounting policies and then apply them consistently;
- prepare and present the financial statements in accordance with Indonesian Financial Accounting Standards;
- make 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 or omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, May 18 2020
On behalf of the Board of Directors

Drs. I Wayan Pasek
President Director

Independent Auditor's Report

Report No. 01018/2.1032/AU.1/10/1175-5/1/V/2020

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, 2020, 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 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, 2020, 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.

Purwanto, Sungkaro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

May 18, 2020

Statement of Financial Position
As of March 31, 2020

(Expressed in Indonesian 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	2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash on hand and in Banks	2m, 4,19	914,592,166	7,709,689,144	55,880	541,259
Trade receivables - third parties	2m, 5,19	1,204,428,279	2,915,487,397	73,589	204,682
Other receivables - third parties	2m,19	95,563,795	24,222,307	5,839	1,700
Inventories	2c, 7	2,934,021,225	4,130,640,827	179,264	289,991
Prepayments and advances	2d, 8	3,721,667,846	4,039,122,681	227,389	283,566
Due from related parties	2b 2m, 6,19	1,649,492,003	843,096,664	100,782	59,190
Other current financial assets	2m,6,19	7,684,800,076	79,359,419	469,530	5,571
TOTAL CURRENT ASSETS		**18,204,565,390**	**19,741,618,439**	**1,112,273**	**1,385,959**
NON-CURRENT ASSETS					
Due from related parties	2b, 2m, 6,19	8,717,211,503	8,416,907,796	532,609	590,909
Fixed assets - net	2e, 2f, 9	68,462,988,190	26,869,210,503	4,182,989	1,886,353
Tax amnesty assets - net	2k,12d	1,257,916,663	1,861,716,663	76,857	130,702
Deferred tax assets - net	2k,12e	8,789,560,790	3,568,188,001	537,029	250,505
Other non-current assets	2m,10,19	1,375,606,837	7,373,753,601	84,048	517,675
Estimated claims for tax refund	2k, 12c	2,902,438,492	-	177,335	-
TOTAL NON-CURRENT ASSETS		**91,505,722,475**	**48,089,776,564**	**5,590,867**	**3,376,144**
TOTAL ASSETS		**109,710,287,865**	**67,831,395,003**	**6,703,140**	**4,762,103**

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, 2020

(Expressed in Indonesian 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,	
		2020	2019	2020	2019
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables					
-third parties	2m,11,19	2,532,107,623	1,363,442,273	154,708	95,720
Other payables	2m,19				
Third parties		426,776,105	565,972,502	26,075	39,734
Related parties	2b,6	942,403,149	129,314,420	57,579	9,079
Taxes payable	2k,12a	771,875,087	2,011,412,061	47,160	141,211
Accrued expenses	2m,13,19	5,205,095,730	5,283,478,785	318,024	370,926
Due to hotel operator	2b,2m,6,14,19	52,450,915	101,887,334	3,205	7,153
Reserve for replacement of furniture, fixtures and equipment	2g,15	8,439,766,917	6,599,613,796	515,658	463,326
Current portion of lease liability	2n,18,19	1,605,168,539	-	98,073	-
Other current liabilities	2m,16	7,373,028,671	8,631,399,747	450,476	605,968
TOTAL CURRENT LIABILITIES		**27,348,672,736**	**24,686,520,918**	**1,670,958**	**1,733,117**
NON-CURRENT LIABILITY					
Long-term employee benefits liability	2h,17	9,902,688,266	10,268,054,464	605,040	720,869
Lease liability - net of current portion	2n,18,19	42,743,806,069	-	2,611,585	-
TOTAL NON-CURRENT LIABILITIES		**52,646,494,335**	**10,268,054,464**	**3,216,625**	**720,869**
TOTAL LIABILITIES		**79,995,167,071**	**34,954,575,382**	**4,887,583**	**2,453,986**
EQUITY					
Capital stock - Rp100,000 par value per share Authorized, issued and fully paid - 11,070 shares	20	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		(1,799,785,341)	(1,775,131,567)	(133,793)	(132,067)
Translation adjustment	2l	-	-	(3,711,171)	(3,175,919)
Retained earnings		27,388,906,135	30,525,951,188	4,774,283	4,729,865
TOTAL EQUITY		**29,715,120,794**	**32,876,819,621**	**1,815,557**	**2,308,117**
TOTAL LIABILITIES AND EQUITY		**109,710,287,865**	**67,831,395,003**	**6,703,140**	**4,762,103**

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, 2020

(Expressed in Indonesian 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	2020	2019	2020	2019
DEPARTMENTAL REVENUES	2i, 21				
Rooms		60,880,601,310	70,030,446,008	4,317,522	4,854,779
Food and beverages		20,167,391,987	21,810,771,532	1,430,536	1,512,704
Other operating departments		5,409,536,022	6,084,090,939	383,545	422,663
Total Departmental Revenues		**86,457,529,319**	**97,925,308,479**	**6,131,603**	**6,790,146**
COST OF GOODS SOLD AND SERVICES	**2i,22**	**40,241,786,968**	**41,271,563,014**	**2,852,215**	**2,869,870**
GROSS PROFIT		**46,215,742,351**	**56,653,745,465**	**3,279,388**	**3,920,276**
HOTEL OPERATING EXPENSES	2i				
Property operations, maintenance and energy expenses	23	14,721,564,510	14,771,623,929	1,042,615	1,027,170
General and administrative expenses	24	11,628,157,419	11,650,640,539	823,835	810,693
Marketing and sales promotion expenses	25	7,700,168,191	8,272,355,931	544,723	574,856
Total Hotel Operating Expenses		**34,049,890,120**	**34,696,620,399**	**2,411,173**	**2,412,719**
HOTEL GROSS OPERATING PROFIT		**12,165,852,231**	**21,957,125,066**	**868,215**	**1,507,557**
OWNER'S OPERATING (INCOME) EXPENSES	2i				
Depreciation and amortization		5,163,082,803	4,124,065,342	362,897	286,150
Foreign exchange losses - net		4,201,571,191	360,981,915	-	-
Professional fees		2,871,035,355	3,620,291,148	202,914	250,243
Salaries and wages		2,021,916,052	2,032,919,684	143,175	141,388
Insurance		1,791,241,180	1,831,572,883	127,604	134,718
Management fee	6, 26a	1,520,731,529	2,744,640,633	108,527	188,445
Tax expense		1,085,781,904	1,527,272,290	77,063	101,575
Rental		8,399,995	1,341,779,111	589	92,334
Finance income - net		(2,978,617)	(2,642,384)	(208)	(187)
Other operating expenses - net		1,937,508,184	482,713,194	136,102	33,465
Total Owner's Operating Expenses - Net		**20,598,289,576**	**18,063,593,816**	**1,158,663**	**1,228,131**
INCOME (LOSS) BEFORE INCOME TAX		**(8,432,437,345)**	**3,893,531,250**	**(290,448)**	**279,426**
Income tax benefit (expense) - net	2k,12d	5,295,392,292	(4,446,510,989)	334,866	(311,691)
NET INCOME (LOSS) FOR THE YEAR		**(3,137,045,053)**	**(552,979,739)**	**44,418**	**(32,265)**

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, 2020

(Expressed in Indonesian 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	**2020**	**2019**	**2020**	**2019**
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		(31,607,402)	(239,663,771)	(2,213)	(16,644)
Related deferred income tax		6,953,628	59,915,943	487	4,161
Item to be reclassified to profit or loss in subsequent periods:					
Difference in foreign currency translation		-	-	(535,252)	(102,997)
Other Comprehensive Loss, Net of Tax		**(24,653,774)**	**(179,747,828)**	**(536,978)**	**(115,480)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(3,161,698,827)**	**(732,727,567)**	**(492,560)**	**(147,745)**

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, 2020

(Expressed in Indonesian 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, 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-net of tax	17	-	-	(179,747,828)	-	(179,747,828)
Cash dividend	20	-	-	-	(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**
Net loss for the year		-	-	-	(3,137,045,053)	(3,137,045,053)
Re-measurement loss on long-term employee benefits liability-net of tax	17	-	-	(24,653,774)	-	(24,653,774)
Balance as of March 31, 2020		**1,107,000,000**	**3,019,000,000**	**(1,799,785,341)**	**27,388,906,135**	**29,715,120,794**

		Translations Into U.S. Dollar - Unaudited (Note 2l)					
	Note	Capital Stock	Additional Paid-in Capital (Note 2k)	Retained Earnings	Other Comprehensive Loss	Translation Adjustment	Total Equity
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-net of tax	17	-	-	-	(12,483)	-	(12,483)
Cash dividend	20	-	-	(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**
Net loss for the year		-	-	44,418	-	-	44,418
Re-measurement loss on long-term employee benefits liability-net of tax	17	-	-	-	(1,726)	-	(1,726)
Translation adjustment		-		-		(535,252)	(535,252)
Balance as of March 31, 2020		**659,603**	**226,635**	**4,774,283**	**(133,793)**	**(3,711,171)**	**1,815,557**

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, 2020

(Expressed in Indonesian 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	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Income (loss) before income taxes		(8,432,437,345)	3,893,531,250	(290,448)	279,426
Adjustments to reconcile income (loss) before income tax for the year to net cash flows provided by operating activities:					
Depreciation and amortization	9, 10, 12	5,163,082,803	4,124,065,342	362,897	286,150
Provision for replacement of furniture, fixtures and equipment	15, 23	2,593,725,879	2,937,759,253	183,949	203,704
Land rent expense		-	884,416,837	-	56,270
Provision for employee benefits - net	17	(396,973,600)	775,908,539	(34,133)	53,468
Unrealized loss on forex - net		4,201,571,191	360,981,915	-	-
Interest expense		1,336,601,481	-	93,549	-
Changes in operating assets and liabilities:					
Trade receivables		1,624,384,722	1,033,259,600	99,248	77,526
Other receivables - third parties		(109,515,392)	38,823,650	(6,691)	2,726
Due from related parties		(7671,616,709)	134,797,976	(562,519)	10,074
Inventories		1,196,619,602	(941,153,715)	73,112	(66,074)
Other current financial asset		5,214,341	(13,657,803)	319	(959)
Prepayments and advances		307,788,169	(1,124,313,636)	18,805	(78,932)
Estimated claim for tax refund		(2,902,438,360)	-	(177,335)	-
Trade payables		1,018,610,364	(653,872,394)	62,236	(45,905)
Other payables		535,226,046	39,933,666	32,702	2,804
Taxes payable		(1,158,563,858)	(3,568,113,059)	(70,787)	(250,499)
Accrued expenses		(137,903,846)	(53,775,185)	(8,425)	(3,775)
Due to hotel operator		(68,750,884)	(213,195,961)	(4,201)	(14,967)
Other current liabilities		(1,258,371,072)	333,192,920)	(76,885)	23,392
Net Cash Flows (Used in) Provided by Operating Activities		**(4,153,746,468)**	**7,988,589,195**	**(304,607)**	**534,429**

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, 2020

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

	Notes	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	9,30	(1,739,434,909)	(3,987,257,152)	(119,912)	(275,360)
Other non-current assets		-	(1,534,599,401)	-	(107,737)
Utilization of reserve for replacement of furniture, fixtures and equipment	15	(753,572,758)	(1,286,853,435)	(53,635)	(90,803)
Net Cash Flows Used in Investing Activities		**(2,493,007,667)**	**(6,808,709,988)**	**(173,547)**	**(473,900)**
CASH FLOWS FROM FINANCING ACTIVITY					
Payments of cash dividends	20,31	-	(5,675,600,000)	-	(400,000)
Payments of lease liabilities	31	(107,216,274)	-	(7,225)	-
Net Cash Flows Used in Financing Activities		**(107,216,274)**	**(5,675,600,000)**	**(7,225)**	**(400,000)**
NET DECREASE IN CASH ON HAND AND IN BANKS		**(6,753,970,409)**	**(4,495,720,793)**	**(485,379)**	**(339,471)**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**(41,126,569)**	**90,088,250**	-	-
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	**4**	**7,709,689,144**	**12,115,321,687**	**541,259**	**880,730**
CASH ON HAND AND IN BANKS AT END OF YEAR	**4**	**914,592,166**	**7,709,689,144**	**55,880**	**541,259**

Information on non-cash activities are disclosed in Note 30.

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, 2020 and For the Year Then ended

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

1. GENERAL

PT Widja Putra Karya (the "Company") was established based on notarial deed No. 42 dated April 20, 1977 of Amir Sjarifuddin, S.H. The deed of establishment was approved by the Ministry of Justice in its decision letter No. Y.A.5/413/2 dated October 5, 1977. The Company subsequently changed its status to become a foreign capital investment company under the framework of the Foreign Capital Investment Law No. 1 of 1967 as amended by Law No. 11 of 1970 based on approval letter No. 64/V/PMA/1995 dated December 4, 1995 of the State Minister for Mobilization of Investment Fund/the Chairman of the Capital Investment Coordinating Board.

The Company's Articles of Association has been amended several times, the latest amendment of which was covered by notarial deed No. 7 dated October 25, 2018 of Irwan Azwir Tanjung, S.H., regarding the changes in the composition of the Company's Boards of Commissioners and Directors. The latest amendment was reported to the Ministry of Law and Human Rights of the Republic of Indonesia and was acknowledged in its letter No. AHU-AH.01.03-0268373 dated November 27, 2018.

In accordance with Article 3 of the Company's articles of association, the Company is engaged in activities related to the tourism industry. Currently, the Company is the owner of The Oberoi Bali (the Hotel), located at Jalan Kayu Aya, Seminyak Beach, Bali. On March 19, 2019, EIH Management Services B.V assigned EIH Holdings Ltd to manage the hotel operations up to year 2032 with option to extend for 10 or 20 years.

The composition of the Company's Boards of Commissioners and Directors as of March 31, 2020 and 2019 is as follows:

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 Sudarjana	- Director

The Company has a total of 195 and 201 permanent employees as of March 31, 2020 and 2019, 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 18, 2020.

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.

Depreciation commences once the assets are available for their intended use and is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Rights-of-use assets	38
Buildings	20
Structures and improvements	10
Machinery and equipment	8
Furniture, fixtures and equipment	5
Motor vehicles	5

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land is stated at cost and is not depreciated.

Rights-of-use assets represent land and will be amortized over the lease terms.

Construction in progress represents the accumulated cost of materials and other costs related to the asset under construction. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the constructed asset is ready for its intended use.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is credited or charged to operations in the year the asset is derecognized.

The costs incurred in order to acquire legal rights over land in the form of "Hak Guna Usaha" (HGU), "Hak Guna Bangunan" (HGB) or "Hak Pakai" (HP) upon initial acquisition of land are recognized as part of the acquisition cost of the land and are not amortized. Meanwhile, costs incurred in connection with the extension or renewal of the above rights are recognized as intangible asset (presented as part of "Other non-current assets" in the statement of financial position) and are amortized throughout the validity period of the rights or the economic useful life of the land, whichever period is shorter.

Effective April 1, 2019, it is the Company's policy to classify right-of-use assets as part of fixed assets. Prior to that data, all of the Company's leases are accounted for as operating leases in accordance with PSAK 30, hence not recorded on the statement of financial position. The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

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

Notes to the Financial Statements *(Contd...)*

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

Short-term employee benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of "Accrued expenses" in the statement of financial position.

Post-employment benefits

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 recognizes actuarial gains or losses, which are directly 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

The Company early adopted PSAK 72 "Revenue from Contract with Customers". PSAK 72 supersedes IAS PSAK 23, Revenue, and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. PSAK 72 establishes a five-step model to account for revenue arising from contract with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PSAK 72 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. in addition, the standard requires extensive disclosures.

The Company adopted PSAK 72 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at his date. The Company elected to apply the standard to all contracts that are not competed as of April 1, 2019. The cumulative effect of initially applying PSAK 72 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PSAK 23 and related Interpretations. However, there is no impact to the Company's financial statements in adopting PSAK 72. Thus, there is no adjustment to the opening balance of the retained earnings, as well as, additional disclosures as required under PSAK 72.

Hotel room revenue is recognized based on room occupancy while other hotel revenues are recognized when the goods are delivered or services are rendered to the customers.

Expenses are recognized when they are incurred.

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, 2020 and 2019, the rates of exchange used were Rp16,367 and Rp14,244, respectively, to US$1.

k. Taxation

<u>Current tax</u>

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".

Notes to the Financial Statements *(Contd...)*

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

Value added tax (“VAT”)

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the Tax Office, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

Change in Tax Rates

On March 31, 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, reduction to the tax rates for corporate income tax payers and permanent establishments entities from previously 25% to become 22% for fiscal years 2020 and 2021 and 20% starting fiscal year 2022 and onwards, and further reduction of 3% for corporate income tax payers that fulfill certain criteria.

The new tax rates are used as reference to measure the current and deferred tax assets and labilities starting from the enactment date of the new regulation on March 31, 2020.

<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 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 (Rp16,367 to US$1 and Rp14,244 to US$1 as last quoted by Bank Indonesia as of March 31, 2020 and 2019, 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, 2020 and 2019, 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.

<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 profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

ii. Financial liabilities

<u>Initial recognition</u>

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value and in the case of financial liabilities measured at amortized cost, include directly attributable transaction costs.

As of March 31, 2020 and 2019, 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.

<u>Subsequent measurement</u>

After initial recognition, financial liabilities measured at amortized cost are measured using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Credit risk adjustment

The Company adjusts the price in the observable market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or 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.

n. Lease

Effective April1, 2019, the Company early adopted PSAK 73 "Leases". PSAK 73 is adopted from IFRS 16 - Leases, which superseded PSAK 30 "Leases". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Company's lease accounting is as a lessee since the Company does not have any transaction as a lessor.

The Company recognized rights-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change ikn the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company had applied the modified retrospective method of adoption, with the date of initial application of April 1, 2019. In accordance with the standard, by applying modified retrospective approach, the lessee shall not restate comparative information. Instead, the lessee shall recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying assets is of low value (low-value assets).

Upon adoption, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets.

The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

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

Based on the above, as at April 1, 2019:

- Rights-of use assets (presented as part of "Fixed Assets" account) were recognized amounting to Rp44, 186,840,610 (US$3,104,882), representing the amount of rights-of-use assets set up on transition date.
- Lease liabilities were recognized amounting to Rp38,255,757,280 (US$2,688,199) after considering prepayments of Rp5,931,083,330 (US$416,683) related to previous operating leases arising from straight lining were derecognized.

Due to the adoption of PSAK 73, the Company's gross operating profit in 2020 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases prior to adopting PSAK 73.

The adoption of PSAK 73 will not have an impact on equity in 2020, since the Company elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

Prior to adoption of PSAK 73, Lease of fixed assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in obligations under finance leases. The interest element of the finance cost is taken to profit or loss over the leased period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalized leased assets are depreciated over the estimated useful life of the assets except if there is no reasonable certainly that the Company will obtain ownership by the end of the lease term, in which case the leased assets are depreciated ovber the shorter of the estimated useful life of the assets and the lease term.

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

Notes to the Financial Statements *(Contd...)*

o. Adoption of Amendments and Improvements of PSAK

The Company has adopted several amendments and improvements to PSAK and new ISAK that are mandatory for application effective April 1, 2019. The adoption of the following amendments and improvements to PSAK and did not result in substantial changes to the Compnay's accounting polices and has no material effect on the amounts reported for the current or prior financial periods.

<u>ISAK 34: Uncertainly over Income Tax Treatments</u>

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainly that affects the application of PSAK 46: Income Taxes. It does not apply to taxes or levies outside the scope of PSAK 46, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit/(tax loss), tax bases, unused tax losses, unused tax credit and tax rate
- How an entity considers changes in facts and circumstances

The company applies significant judgement in identifying uncertainties over income tax treatments.

<u>Amendments to PSAK 24: Employee Benefits - Plan Amendment, Curtailment or Settlement.</u>

The amendments to PSAK 24 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period, an entity is required to determine the current service cost of the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that even. The entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

<u>Amendments to PSAK 26: Borrowing Costs</u>

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

<u>Amendments to PSAK 46: Income Taxes</u>

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognized those past transactions or events.

Notes to the Financial Statements *(Contd...)*

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.

Notes to the Financial Statements *(Contd...)*

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in its assumptions may materially affect the costs and obligations of pension and other long-term employee benefits. Further details are disclosed in Note 17.

Estimating Useful Lives of Fixed Assets
The Company estimates the useful lives of its fixed assets based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least at the end of each financial year and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets.

It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any year will be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Company's fixed assets will increase the recorded operating expenses and decrease non-current assets. Further details are disclosed in Note 9.

Estimation of Tax Liability
In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Asset". The Company makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use assets in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

4. CASH ON HAND AND IN BANKS

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March, 31		March, 31	
	2020	2019	2020	2019
Cash on hand				
Rupiah	58,284,249	83,586,825	3,561	5,687
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	619,825,594	1,347,568,805	37,871	94,788
PT Bank Central Asia Tbk	94,803,222	1,716,878,784	5,792	120,533
PT Bank Mandiri (Persero) Tbk	9,165,158	509,171,206	560	35,746
US dollars				
PT Bank Negara Indonesia (Persero)Tbk	132,513,943	4,039,585,438	8,096	283,599
PT Bank Maybank Indonesia Tbk	-	8,772,026	-	616
PT Bank Mandiri (Persero) Tbk	-	4,126,060	-	290
Total	**914,592,166**	**7,709,689,144**	**55,880**	**541,259**

As of March 31, 2020 and 2019, 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	
	2020	2019	2020	2019
City ledger	1,204,428,279	2,645,008,653	73,589	185,693
Guest ledger	-	270,478,744	-	18,989
Total	**1,204,428,279**	**2,915,487,397**	**73,589**	**204,682**

Notes to the Financial Statements (Contd...)

(Expressed in Indonesian 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	
	2020	2019	2020	2019
Current	835,364,775	2,472,019,592	51,040	173,548
Overdue :				
1-30 days	317,879,881	261,369,544	19,422	18,350
31-60 days	26,060,672	69,244,545	1,592	4,861
Over 60 days	25,122,951	112,853,716	1,535	7,923
Total	**1,204,428,279**	**2,915,487,397**	**73,589**	**204,682**

Based on the review of the status of the individual receivable accounts at the end of the reporting period, management believes that all of the above trade receivables are fully collectible; hence, no allowance for impairment was provided as of March 31, 2020 and 2019.

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	
	2020	2019	2020	2019
Dues from related parties:				
Current:				
PT Waka Oberoi Indonesia	1,649,492,003	843,096,664	100,782	59,190
Non-current:				
PT Waka Gae Selaras	4,009,915,000	4,320,205,200	245,000	303,300
EIH International Ltd	2,963,850,929	2,579,403,228	181,087	181,087
EIH Holdings Ltd	1,743,445,574	1,517,299,368	106,522	106,522
Total	**8,717,211,503**	**8,416,907,796**	**532,609**	**590,909**
Fund in transit	7,610,655,000	-	465,000	-
Other payables:				
EIH Holdings Limited	942,403,149	129,314,420	57,579	9,079
Due to hotel operator: (Note 14)				
EIH Holdings Limited	52,450,915	101,887,334	3,205	7,153

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

Salaries and wages of the Company's key management personnel amounted to Rp1,329,258,169 (US$92,781) and Rp1,360,052,725 (US$94,012) in 2020 and 2019, respectively (unaudited).

On March 23, 2020 EIH Holdings Ltd transferred cash amounting to Rp7,610,655,000 (US$465,000) as payments on behalf of PT Waka Obeori Indonesia for amounts owed to the Company. The fund transfer was subsequently debited to the Company's cash in bank account on April 3, 2020; hence, the amount was presented as funds in transit under "Other current financial assets" account in the statement of financial position as of March 31, 2020.

Nature of relationship and types of transaction with related parties are as follows:

No.	Related Parties	Nature of Relationship	Types of Transaction
a.	PT Waka Gae Selaras	Shareholders	Advances
b.	EIH International Limited	Shareholders	Advances and operating expenses
c.	EIH Holdings Ltd	Shareholders	Advances and operating expenses
d.	PT Waka Oberoi Indonesia	Under Common Control	Intercompany advances and share in proceeds from sale of vacation packages

7. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
Materials and supplies	1,359,237,330	1,503,601,864	83,047	105,560
Beverages	904,107,193	1,222,840,634	55,240	85,850
Food	660,927,534	1,395,593,488	40,382	97,978
Tobacco	9,749,168	8,604,841	595	603
Total	**2,934,021,225**	**4,130,640,827**	**179,264**	**289,991**

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2020 and 2019 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,	
	2020	2019	2020	2019
Prepaid expenses - Insurance	2,935,215,332	3,252,755,840	179,337	228,359
Prepaid expenses - others	521,421,413	575,892,071	31,858	40,430
Advance on purchase	188,301,131	124,078,134	11,506	8,712
Prepaid deferred cost of land rights	76,729,970	86,396,636	4,688	6,065
Total	**3,721,667,846**	**4,039,122,681**	**227,389**	**283,566**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian 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, 2020			
	Beginning Balance	Additions	Deductions	Ending Balance
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	19,113,684,925	879,687,525	-	19,993,372,450
Rights-of use assets	-	44,186,840,610	-	44,186,840,610
Structures and improvements	12,188,667,201	-	-	12.188,667,201
Machinery and equipment	7,455,628,720	445,605,362	-	7,901,234,082
Furniture, fixtures and equipment	27,619,929,450	167,887,997	-	27,787,817,447
Motor vehicles	1,694,275,280	543,400,000	(257,000,000)	1,980,675,280
Construction in progress	5,881,942,178	1,173,053,337	(1,320,144,312)	5,734,851,203
Total Cost	74,048,982,129	47,396,474,831	(1,577,144,312)	119,868,312,648
Accumulated Depreciation				
Buildings	7,800,776,381	798,131,048	-	8,598,907,429
Rights-of-use assets	-	1,136,997,994	-	1,136,997,994
Structures and improvements	7,946,037,033	668,283,408	-	8,614,320,441
Machinery and equipment	5,717,560,583	485,230,286	-	6,202,790,869
Furniture, fixtures and equipment	24,453,214,015	1,228,363,430	-	25,681,577,445
Motor vehicles	1,262,183,614	165,546,666	(257,000,000)	1,170,730,280
Total Accumulated Depreciation	47,179,771,626	4,482,552,832	(257,000,000)	51,405,324,458
Net Book Value	**26,869,210,503**			**68,462,988,190**

	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**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian 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, 2020				
	Beginning Balance	Additions	Deductions	Translation Adjustment	Ending Balance
Cost					
Land	6,659	-	-	(864)	5,795
Buildings	1,341,876	58,745	-	(179,054)	1,221,567
Rights-of-use assets	-	3,104,882	-	(405,130)	2,699,752
Structures and improvements	855,705	-	-	(110,995)	744,710
Machinery and equipment	523,423	32,260	-	(72,929)	482,754
Furniture, fixtures and equipment	1,939,057	11,860	-	(253,122)	1,697,795
Motor vehicles	118,947	38,495	(28,186)	(8,240)	121,016
Construction in progress	412,942	83,603	(94,376)	(51,778)	350,391
Total Cost	5,198,609	3,329,845	(122,562)	(1,082,112)	7,323,780
Accumulated Depreciation					
Buildings	547,654	55,974	-	(78,247)	525,381
Rights-of-use assets	-	80,561	-	(11,093)	69,468
Structures and improvements	557,851	46,865	-	(78,393)	526,323
Machinery and equipment	401,401	34,028	-	(56,447)	378,982
Furniture, fixtures and equipment	1,716,737	86,141	-	(233,771)	1,569,107
Motor vehicles	88,613	11,609	(28,186)	(506)	71,530
Total Accumulated Depreciation	3,312,256	315,178	(28,186)	(458,457)	3,140,791
Net Book Value	**1,886,353**				**4,182,989**

	Translations into U.S. Dollar - Unaudited (Note 2l)				
	Year Ended March 31, 2019				
	Beginning Balance	Additions	Deductions	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					
Building	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**

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

9. FIXED ASSETS *(Contd...)*

Depreciation and amortization charged to operations amounted to Rp5,163,082,803 (US$362,897) and Rp4,124,065,342 (US$286,150) for the years ended March 31, 2020 and 2019, respectively. Depreciation arising from fixed assets amounted to Rp4,482,552,832 (US$315,178) and Rp3,472,936,394 (US$241,400) in 2020 and 2019, respectively. Depreciation arising from tax amnesty assets amounted to Rp603,800,000 (US$42,339) and Rp603,800,004 (US$41,447) in 2020 and 2019 (Note 12d) while amortization arising from deferred cost of landrights amounted to Rp76,729,971 (US$5,380) and Rp47,328,944 (US$3,303) in 2020 and 2019, respectively (Note 10).

The Company's land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificate No. 31 which is valid up to 2019. In January 2019, the Company had obtained certificate No.53 which pertains to the extension of the HGB. Based on the new certificate, the HGB is valid until 2039.

Fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies amounting to US$48,450,000 (Rp792,981,150,000) and US$58,500,000 (Rp833,274,000,000) as of March 31, 2020 and 2019, respectively. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

As of March 31, 2020 and 2019, 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	
	2020	**2019**	**2020**	**2019**
Deferred cost of landrights - net	1,361,956,837	1,438,686,937	83,214	101,003
Security deposits	13,650,000	13,650,000	834	959
Long-term prepaid rent	-	5,921,416,664	-	415,713
Total	**1,375,606,837**	**7,373,753,601**	**84,048**	**517,675**

11. TRADE PAYABLES - THIRD PARTIES

This account consists mainly of liabilities to the Hotel's suppliers of goods and services amounting to Rp2,532,107,623 (US$154,708) and Rp1,363,442,273 (US$95,720) as of March 31, 2020 and 2019, respectively.

12. TAXATION

a. Taxes payable consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	**2019**	**2020**	**2019**
Development tax I	191,322,301	507,761,822	11,690	35,647
Income tax				
Article 21	149,110,692	149,496,421	9,110	10,495
Article 23	43,497,604	893,711,188	2,658	62,743
Article 25	257,964,145	258,813,479	15,761	18,170
Article 29	-	7,038,128	-	494
Value added tax	129,980,345	194,591,023	7,941	13,662
Total	**771,875,087**	**2,011,412,061**	**47,160**	**141,211**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

12. TAXATION *(Contd...)*

b. A reconciliation between income (loss) 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,	
	2020	**2019**	**2020**	**2019**
Income (loss) before income tax per statement of profit or loss and other comprehensive income	(8,432,437,345)	3,893,531,250	(290,448)	279,426
Temporary differences:				
Provision for replacement of furniture, fixtures and equipment - net	1,840,153,121	1,650,905,818	130,314	112,901
Employee benefits - net	(396,973,600)	775,908,539	(34,133)	53,468
Depreciation	95,874,997	(25,290,532)	6,710	(1,756)
Lease depreciation	(339,668,154)	-	(23,774)	-
Interest expense	1,336,601,481	-	93,549	-
Loss on foreign exchange - net	5,777,593,644	-	-	-
Permanent differences:				
interest income already subjected to final tax	(51,489,418)	(257,391,675)	(3,604)	(17,880)
Non-deductible expenses	953,062,800	6,344,615,898	66,705	440,628
Translation adjustment	-	-	109,462	-
Estimated taxable income for the year	**782,717,526**	**12,382,279,298**	**54,781**	**866,787**

c. Computation of estimated current income tax expense and estimated income tax payable (claims for income tax refund) is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	**2019**	**2020**	**2019**
Estimated taxable income (rounded off)	782,717,000	12,382,279,000	54,781	866,787
Current income tax expense	195,679,250	3,095,569,750	13,696	216,696
Prepayments of income tax article 25	(3,098,117,742)	(3,088,531,622)	(216,839)	(216,830)
Transaction adjustments	-	-	25,808	628
Estimated income tax payable (claims for income tax refund)	**(2,902,438,492)**	**7,038,128**	**(177,335)**	**494**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian 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 (loss) before income tax by the applicable tax rate, and income tax expense (benefit) - net as shown in the statement of profit or loss and other comprehensive income is as follows:

	Indonesian Rupiah		**Translations into U.S. Dollar Unaudited (Note 2l)**	
	March 31,		**March 31,**	
	2020	**2019**	**2020**	**2019**
Income (loss) before income tax	(8,432,437,345)	3,893,531,250	(290,448)	279,426
Tax expense at the applicable rate	(2,108,109,337)	973,382,813	(72,612)	69,856
Tax effect on permanent differences:				
Tax effect on changes in tax rate	(3,385,431,234)	-	(236,948)	-
Interest income already subjected to final tax	(12,872,355)	(64,347,919)	(901)	(4,470)
Non-deductible expenses	487,673,145	1,586,153,704	34,132	110,159
Translation adjustments	-	-	(39,174)	628
Income tax expense (benefit)				
Current year	(5,018,739,781)	2,495,188,598	(315,503)	176,173
Prior year	(276,652,511)	1,951,322,391	(19,363)	135,518
Total	**(5,295,392,292)**	**4,446,510,989**	**(334,866)**	**311,691**

In August 2018, the Company received tax assessment letter from the Tax Office related to the underpayment of income tax articles 21, 23, 25, and 26 for the fiscal year 2017 for a total underpayment of Rp1,692,795,502 (US$117,563). The settlement of underpayment related to articles 21, 23 and 26 in September 2018 was presented as part of "General and administrative expenses" whereas the settlement of underpayment related to article 25 in September 2018 was presented as part of "Income tax expense - net" in the statement of profit or loss and other comprehensive income.

The Company has filed an objection letter to the Tax Office dated November 26, 2018 related to the underpayment of corporate income tax. Based on the objection letter, the Company stated that they are in overpayment position of article 25 amounting to Rp1,480,327,843 (US$103,926) instead of underpayment of Rp698,607,276 (US$49,402). On September 30, 2019, the Tax Office partially approved the management objection wherein the objection related to the entertainment fiscal correction totalling to Rp1,106,610,443 (US$78,073 was approved while the objection on promotional expenses totalling to Rp6,677,653,663 (US$471,120) was rejected by the Tax Office. Thus, the total underpayment was reduced from Rp698,607,276 (US$49,402) to Rp283,628,360 (US$20,010) including the interest which was presented under "Income tax expense - net" in the statement of profit or loss and other comprehensive income.

On 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.

(Expressed in Indonesian 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,	
	2020	2019	2020	2019
Net book value at beginning of year	1,861,716,663	2,465,516,667	130,702	179,232
Depreciation during the year (note 9)	(603,800,000)	(603,800,004)	(42,339)	(41,447)
Translation adjustment	-	-	(11,506)	(7,083)
Net book value at end of year	**1,257,916,663**	**1,861,716,663**	**76,857**	**130,702**

e. Deferred tax assets - net consists of:

	Indonesian Rupiah			
	Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2019	Profit or Loss	Other Comprehensive Income	March 31, 2020
Deferred tax assets				
Employee benefits liability	2,567,043,618	1,007,260,273	6,953,628	3,581,257,519
Reserve for replacement of furniture, fixtures and equipment	1,649,903,451	1,380,316,385	-	3,030,219,836
Interest expense	-	1,623,360,640	-	1,623,360,640
Loss on foreign exchange	-	1,271,070,601	-	1,271,070,601
Total deferred tax assets	4,216,947,069	5,282,007,899	6,953,628	9,505,908,596
Deferred tax liabilities				
Depreciation and amortization - net	(648,759,068)	504,205,256	-	(144,553,812)
Lease depreciation	-	(571,793,994)	-	(571,793,994)
Net deferred tax assets	**3,568,188,001**	**5,214,419,161**	**6,953,628**	**8,789,560,790**

	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**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

12. TAXATION *(Contd...)*

e. Deferred tax assets - net consists of: *(Contd...)*

	Translations into US dollar - Unaudited (Note 2l)				
	Deferred tax Benefit (Expense) Credited (Charged) to				
	April 1, 2019	**Profit or Loss**	**Other Comprehensive Income**	**Translation adjustment**	**March 31, 2020**
Deferred tax assets					
Employee benefits liability	210,908	69,105	487	-	280,500
Reserve for replacement of furniture, fixtures and equipment	127,526	96,946	-	-	224,472
Interest expense	-	113,624	-	-	113,624
Total deferred tax assets	338,434	279,675	487	-	618,596
Deferred tax liabilities					
Depreciation and amortization - net	(67,305)	35,281	-	-	(32,024)
Lease liability	-	(40,021)	-	-	(40,021)
Translation adjustment	(20,624)	-	-	11,102	(9,522)
Net deferred tax assets	**250,505**	**274,935**	**487**	**11,102**	**537,029**

	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**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian 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,	
	2020	2019	2020	2019
Salaries and employee benefit	1,504,639,639	1,585,491,450	91,931	111,309
Tax consultant fees	943,114,418	818,573,804	57,623	57,468
Audit and consultant fees	647,431,995	1,103,429,679	39,557	77,466
Heat, light and power	641,403,215	625,632,834	39,189	43,923
Others	1,468,506,463	1,150,351,018	89,724	80,760
Total	**5,205,095,730**	**5,283,478,785**	**318,024**	**370,926**

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,	
	2020	2019	2020	2019
Balance at beginning of year	101,887,334	351,588,742	7,153	25,559
Management fee - 12.5% of hotel Gross operating profit (Notes 26a)	1,520,731,529	2,744,640,633	86,821	188,445
Payments	(1,285,336,106)	(2,957,836,593)	(90,769)	(206,851)
Unrealized loss (gain) on foreign exchange - net	(284,831,842)	(36,505,448)	-	-
Balance at the end of year	**52,450,915**	**101,887,334**	**3,205**	**7,153**

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,	
	2020	2019	2020	2019
Balance at beginning of year	6,599,613,796	4,948,707,978	463,326	359,749
Provisions during the year (Note 23)	2,593,725,879	2,937,759,253	183,949	203,704
Utilization of reserve	(753,572,758)	(1,286,853,435)	(53,635)	(90,803)
Translation adjustment	-	-	(77,982)	(9,324)
Balance at end of year	**8,439,766,917**	**6,599,613,796**	**515,658**	**463,326**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian 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,	
	2020	2019	2020	2019
Deposits from customers	5,872,373,856	8,139,785,370	358,794	571,454
Service charge	170,318,920	387,786,378	10,406	27,225
Others	1,330,335,895	103,827,999	81,276	7,289
Total	**7,373,028,671**	**8,631,399,747**	**450,476**	**605,968**

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, 2020 and April 10, 2019, using the "projected-unit-credit" method are as follows:

The key assumptions used in determining the employee benefits liability are as follows:

Discount rate	:	8.73% in 2020 and 8.70% in 2019
Annual salary increase	:	8.5% in 2020 and 2019
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,	
	2020	2019	2020	2019
Current service cost	950,122,404	694,669,463	66,499	48,246
Interest cost	714,004,955	639,057,765	43,625	44,383
Total post-employee benefits expense	**1,664,127,359**	**1,333,727,228**	**110,124**	**92,629**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian 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,	
	2020	**2019**	**2020**	**2019**
Present value of defined Benefits obligation	9,902,688,266	10,268,054,464	605,040	720,869

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,	
	2020	**2019**	**2020**	**2019**
Beginning balance	10,268,054,464	9,252,482,154	720,869	672,614
Provision during the year	1,664,127,359	1,333,727,228	110,124	92,629
Payment during the year	(2,061,100,959)	(557,818,689)	(144,257)	(39,161)
Actuarial loss (gain) from				
Experience adjustment	(121,292,840)	871,467,966	(8,489)	60,523
Change in financial assumption	152,900,242	(631,804,195)	10,702	(43,878)
Translation adjustment	-	-	(83,909)	(21,858)
Employee benefits liability	**9,902,688,266**	**10,268,054,464**	**605,040**	**720,869**

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)	:	2,438,834,939
Between 2 and 5 years	:	2,920,609,251
Between 5 and 10 years	:	5,456,568,798
Beyond 10 years	:	142,458,108,109

The average duration of the long-term employee benefits liability is 18.86 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, 2020 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Discount Rate	**Salary Rate**	**Discount Rate**	**Salary Rate**
Increase by 1%	(660,532,396)	748,004,053	(46,230)	52,353
Decrease by 1%	765,583,729	(657,956,853)	53,583	(46,050)

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

18. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

The Company has entered into lease contacts of land in its operations wherein the lease term is valid from 2019 to 2057. The Company also has certain lease of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rights-of-use assets represent assets from lease contracts for land amounting to Rp44,186,840,610 (US$3,104,882) with accumulated depreciation amounting to Rp1,136,997,994 (US$80,561) and valid until 2057. There is no transfer of ownership option for the lease. As of March 31, 2020, the depreciation of the rights-of-use assets amounted to Rp1,136,997,994 (US$80,561) and presented as "Depreciation expense" in the statement of profit and loss and other comprehensive income.

The following are the amounts recognized in statement of profit or loss and other comprehensive income:

	Year Ended March 31, 2020	
	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2l)
Interest expense on lease liabilities	1,336,601,481	93,549
Depreciation expense of rights-of-use assets including in fixed assets	1,136,997,994	80,561
Expense related to short-term leases	303,662,795	21,254
Total	**2,777,262,270**	**195,364**

The rollforward analysis of lease liabilities are as follows:

	March 31, 2020	
	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2l)
As at April 1, 2019	38,255,757,280	2,688,199
Addition		
Interest expense	1,336,601,481	93,549
Payments	(1,020,977,797)	(72,090)
Foreign exchange loss (gain)	5,777,593,644	–
Total	**44,348,974,608**	**2,709,658**
Less current maturities portion	(1,605,168,539)	(98,073)
	42,743,806,069	**2,611,585**

Shown below is the maturity analysis of the undiscounted lease paymenrts:

	March 31, 2020	
	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2l)
1 year	1,757,584,043	107,386
More than 1 years to 2 years	3,515,168,086	214,771
More than 2 years to 3 years	3,515,168,086	214,771
More than 3 years to 4 years	3,585,471,266	219,067
More than 5 years	99,570,872,171	6,083,636
Total	**111,944,263,562**	**6,839,631**

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

19. FINANCIAL ASSETS AND LIABILITIES

The following table sets forth the estimated fair values, which are equal to the carrying amounts, of the financial assets and financial liabilities of the Company:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
Financial Assets - Loans and Receivables				
Cash on hand and in banks	914,592,166	7,709,689,144	55,880	541,259
Trade receivables - third parties	1,204,428,279	2,915,487,397	73,589	204,682
Other receivables - third parties	95,563,795	24,222,307	5.839	1,700
Other current financial assets -	7,684,800,076	79,359,419	469,530	5,571
Due from related parties	10,366,703,506	9,260,004,460	633,391	650,099
Other non - current assets - security deposits	13,650,000	13,650,000	834	959
Total Financial Assets	**20,279,737,822**	**20,002,412,727**	**1,239,063**	**1,404,270**
Financial Liabilities - Financial Liabilities Measured at Amortized Cost				
Trade payables - third parties	2,532,107,623	1,363,442,273	154,708	95,720
Other payables	1,369,179,254	695,286,922	83,654	48,813
Accrued expenses	5,205,095,730	5,283,478,785	318,024	370,926
Due to hotel operator	52,450,915	101,887,334	3,205	7,153
Lease liability	44,348,974,608	-	2,709,658	-
Other current financial liabilities - deposits from customers	5,872,373,856	8,139,785,370	358,794	571,454
Total Financial Liabilities	**59,380,181,986**	**15,853,880,684**	**3,628,043**	**1,094,066**

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:

- Long-term financial assets (other non-current financial assets)

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

The fair values of other non-current financial assets are assumed to be the same as the cash amount that will be received due to the fact that the maturity of such financial assets is not stated in related contract and the management is not yet able to determine when the financial assets will be realized.

Non-current financial liability:

- Lease liability

  Fair value of the lease liabilities is based on the present value of expected future cash flows using the appropriate discount rates.

20. CAPITAL STOCK

The share ownership details as of March 31, 2020 and 2019 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**

Based on the minutes of the Company's annual general meetings of shareholders, the shareholders resolved to, among others, declare cash dividends as follows:

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.

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.

21. 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,	
	2020	**2019**	**2020**	**2019**
Room Department				
Lanai	41,980,643,804	49,211,987,735	2,977,956	3,410,359
Villa	18,899,957,506	20,818,458,273	1,339,566	1,444,420
Total Room Department	**60,880,601,310**	**70,030,446,008**	**4,317,522**	**4,854,779**
Food and Beverages Department				
Food	14,236,965,380	15,875,236,244	1,010,260	1,101,153
Beverage	5,741,883,817	5,749,855,619	406,860	398,668
Others	188,542,790	185,679,669	13,416	12,883
Total Food and Beverages Department	**20,167,391,987**	**21,810,771,532**	**1,430,536**	**1,512,704**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

21. 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,	
	2020	2019	2019	2020
Other Operating Departments				
Health spa	2,138,600,462	2,359,629,777	151,718	163,814
Boutique	1,481,150,634	1,536,454,186	105,061	106,780
Others	1,789,784,926	2,188,006,976	126,766	152,069
Total Other Operating Departments	**5,409,536,022**	**6,084,090,939**	**383,545**	**422,663**
Total Departmental Revenues	**86,457,529,319**	**97,925,308,479**	**6,131,603**	**6,790,146**

In 2020 and 2019, the average hotel room occupancy rates were 52.2 % and 53.60%, respectively (unaudited).

22. COST OF GOODS SOLD AND SERVICES

The details of cost of goods sold and services are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2020	2019	2020	2019
Food and Beverages	**5,876,711,190**	**6,229,680,036**	**416,851**	**432,045**
Payroll and Related Expenses				
Salaries and wages	10,620,508,644	10,210,587,119	860,884	827,580
Employee benefits	6,700,095,970	6,149,500,080	366,060	311,952
Total Payroll and Related Expenses	**17,320,604,614**	**16,360,087,199**	**1,226,944**	**1,139,532**
Other Expenses				
Travel agents	5,362,440,181	5,962,459,822	380,192	413,304
Cleaning and guest supplies	2,425,216,335	2,260,631,155	171,869	156,370
Security	1,561,831,138	1,369,775,438	110,626	95,472
Boutique	997,776,815	1,051,258,974	70,760	73,048
Laundry	863,006,318	1,064,589,109	61,209	73,999
Linens and uniforms	695,942,302	1,224,439,435	49,327	85,542
Decoration	655,872,014	604,468,970	46,509	42,082
Cultural music and shows	642,930,000	875,486,500	45,539	60,983
Welcome drinks, fruit baskets and amenities	492,141,569	552,122,823	34,896	38,396
Printing and stationery	459,033,758	484,621,963	32,419	33,650
Transportation and travel	267,869,870	240,804,024	18,993	16,785
Kitchen fuel	233,601,123	249,368,399	16,543	17,311
Consultant fees	201,676,277	213,418,314	14,304	14,863
Mineral water and ice	188,407,867	247,951,138	13,360	17,235
Cable television and music	181,422,697	206,413,000	12,851	14,359
Guest newspaper	168,052,210	174,919,762	11,911	12,146
Others (each below Rp100 million)	1,647,190,690	1,899,066,953	117,112	132,748
Total Other Expenses	**17,044,471,164**	**18,681,795,779**	**1,208,420**	**1,298,293**
Cost of Goods Sold and Services	**40,241,786,968**	**41,271,563,014**	**2,852,215**	**2,869,870**

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

23. 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,	
	2020	2019	2020	2019
Repairs and maintenance	5,398,473,918	5,158,936,421	390,844	359,496
Electricity	2,678,838,790	2,716,410,046	189,980	189,120
Provision for replacement of furniture, fixtures and equipment (Note 15)	2,593,725,879	2,937,759,253	183,949	203,704
Water	2,410,608,899	2,351,546,580	161,641	162,898
Salaries and wages	1,349,695,649	1,278,770,727	95,608	89,095
Light bulbs	112,859,256	120,651,693	8,014	8,403
Gas	85,150,144	111,180,727	6,048	7,715
Uniforms	29,536,824	38,006,419	2,089	2,676
Laundry	24,290,404	23,273,881	1,722	1,619
Telephone	8,887,690	8,907,845	630	622
Fuel	4,442,047	3,834,162	314	267
Others	25,055,010	22,346,175	1,776	1,555
Total	**14,721,564,510**	**14,771,623,929**	**1,042,615**	**1,027,170**

24. 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,	
	2020	2019	2020	2019
Salaries and wages	6,356,177,561	6,135,342,045	437,696	426,832
Commission on credit cards	1,664,609,355	1,878,515,634	118,155	130,722
Professional fees	1,443,956,803	1,208,920,035	115,446	77,978
Data processing	486,106,203	547,595,154	34,436	38,107
Transportation and traveling	446,905,934	302,389,385	31,659	21,078
Executive	126,166,897	87,918,742	8,938	6,054
Telephone and communication	23,587,768	273,606,786	1,865	19,055
Others	1,080,646,898	1,218,352,758	75,640	90,867
Total	**11,628,157,419**	**11,652,640,539**	**823,835**	**810,693**

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

25. 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,	
	2020	2019	2020	2019
Marketing and sales promotion (Note 26a)	2,593,725,879	2,937,759,253	183,948	203,704
Sales representation	1,574,809,053	1,334,317,288	110,999	92,546
Advertising and promotion	1,147,083,933	1,309,604,515	81,207	90,845
Salaries and wages	1,065,104,341	970,441,668	75,443	67,549
Public relations	747,065,201	1,016,173,402	52,592	70,470
Transportation and travel	176,608,334	286,058,244	12,679	19,691
Printing and stationery	52,974,500	63,766,339	3,755	4,383
Telephone and communication	26,898,692	35,000,170	1,902	2,412
Others	315,898,258	319,235,052	22,198	23,256
Total	**7,700,168,191**	**8,272,355,931**	**544,723**	**574,856**

26. SIGNIFICANT AGREEMENTS AND CONTINGENCY

a. Hotel Operator Agreement

The Company entered into a Hotel Operation Agreement with EIH Management Services B.V. (the Operator) to manage and operate the Hotel effective December 31, 1998. On July 22, 2000, the Company signed a Renewal Agreement whereby the original term was extended until February 1, 2032. Following the change in ownership on September 27, 2018 (Note 20) from EIH Management Services B.V. to EIH Holdings Ltd, the assignment of EIH Management Services B.V as the hotel operator was also transferred to EIH Holdings Ltd with all terms and conditions retained and effective.

The Operator has automatic and irrevocable options to extend the Agreement for another 10 or 20 years. Under the agreement, the Hotel Operator is entitled to a fee of 12.5% of the total gross operating profit. Also, under the agreement, the Hotel Operator is entitled to pay out of the gross operating revenue and as part of gross operating expenses, an amount equal to 3% of the Hotel gross operating revenue for marketing and sales promotion expenses. Any loss incurred by the Hotel in any financial year shall be borne exclusively by the Company.

b. Legal Claim from PT Inter Sport Marketing (ISM)

In 2015, the Company was sued by PT Inter Sport Marketing (ISM) related to the airing of live broadcast of FIFA World Cup 2014 in the Company's commercial area without any license from ISM (which claimed to hold the official license for live broadcasting of FIFA World Cup 2014). In April 2018, ISM filed its claim to Surabaya Commercial court against the Company. Based on claim filed to the court, the Company was demanded to pay a compensation to ISM for a total amount of Rp203,700,000,000.

In September 12, 2018, the court has declared that PT ISM is granted a compensation of Rp500,000,000. Subsequently, the Company has filed memorial cassation dated October 8, 2018 to the Surabaya Commercial court. On October 24, 2018, the Company has received its counter memorial cassation from PT ISM stating that they disagree with the compensation awarded. In 2020, the Supreme Court has rendered a judgment that awards ISM with a compensation of Rp100,000,000 and nothing else. However, as the Company has not yet received the formal decision and does not know yet the basis of such decision, they have decided not to record the provision.

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

27. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Information concerning monetary assets and liabilities denominated in foreign currencies as of March 31, 2020 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$	55,880	914,592,166
Trade receivables	US$	73,589	1,204,428,279
Due from related parties	US$	633,391	10,366,703,506
Other current assets	US$	465,000	7,610,655,000
Total			20,096,378,951
Liabilities			
Due to hotel operator	US$	3,205	52,450,915
Other payables	US$	83,654	1,369,179,254
Lease liabilities	US$	2,709,658	44,348,974,608
Total			45,770,604,777
Net Liabilities			**25,674,225,826**

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, 2020 or at any other rates of exchange.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The management reviews and approves policies for managing each of these risks, which are described in more details as follows:

a. Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the Company's reporting currency is rupiah, it is exposed to exchange rate fluctuations primarily from its trade receivables from revenues in foreign currencies.

The Company does not have any formal hedging policy for foreign exchange exposure since it is not considered as necessary. However, the Company maintains transactions and balances in foreign currencies other than rupiah in connection with regular operations at a minimum level.

b. Credit risk

Credit risk is the risk that the Company will incur loss arising from its customers or counterparties that fail to discharge their contractual obligations. There are no significant concentrations of credit risk. The Company manages and controls this credit risk by setting limits on the amount of risk it is willing to accept for individual customers and by monitoring exposures in relation to such limits. The maximum exposure of the financial instruments is equal to the carrying values as disclosed in Note 19.

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 and lease liability, all of the Company's liabilities will be due in one year. The Company has current ratio at 0.66 and 0.80 as of March 31, 2020 and 2019, respectively.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy cash flows in order to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital or issue new shares.

For the year ended March 31, 2020, the Company has incurred total comprehensive loss of Rp3,161,698,827 (US$492,560) and its total current liabilities exceeded its total current assets by Rp9,144,107,346(US$558,685) as of March 31, 2020. The Company has retained earnings of Rp27,388,906,135 (US$4,774,283) with a positive equity of Rp29,715,120,794 (US$1,815,557) as of March 31, 2020. The losses incurred were mainly due to the impact of novel coronavirus disease 2019 (COVID-19) during the last quarter of fiscal year 2019-2020 whereby travel restrictions were imposed globally and by the local government of Bali.

The outbreak of COVID-19 continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, the management estimates a possible scenario of normal business conditions returning gradually after 6 months and thereafter stabilizing in the last quarter of year 2020. In the following year 2021, it is estimated that the normalcy would return.

As part of its continuing efforts to respond to and manage the effects of the aforementioned conditions, the Company has undertaken and is continuously implementing the following measures, among others:

- Closure of mainline hotel operations as well as food and beverage outlets until government declares tourism and hotel activities are safe to resume; and,
- Cost-cutting measures including human resources shifting, contracts assessments, utilities and housekeeping reduction, suspension of sales representation with cancellation of sales travel and capping a minimum budget expenditure until operations go back to normalcy.

The Company will continuously assess the above measures throughout the duration of the outbreak.

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 70% shareholdings in the Company, have provided a written confirmation on its intention and ability to provide financial support if and when required by the Company to allow it to continue as a going concern entity.

As of the completion date of the financial statements, the probability of the success of the Company's continuing efforts will still be affected by some uncontrollable factors including uncertainty in the extent and duration of the impact of COVID-19, as well as the government's policy in controlling the pandemic of COVID-19. Given the

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

uncertainty of the circumstances, there are significant impacts to the results of operation, cash flows and financial position which will be reflected in the Company's 2020 financial statement.

The financial statements have been prepared assuming that the Company will continue as a going concern entity. The financial statements did not include any adjustment that might result from these uncertainties.

29. 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, 2020:

Effective beginning on or after April 1, 2020:

a. 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.

b. Amendment to PSAK 1 and PSAK 25: Definition of Material. This amendment clarifies the definition of material with the aim of harmonizing the definitions used in the conceptual framework and some relevant PSAKs. In addition, it also provides clearer guidance regarding the definition of material in the context of reducing over disclosure due to changes in the threshold of the material definition.

Effective beginning on or after April 1, 2021:

c. Amendments to PSAK 22: Definition of Business. These amendments were issued to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

30. 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,	
	2020	2019	2020	2019
Additions to fixed assets charged to:				
Other payables	150,055,000	-	10,675	-
Deduction to lease liability credited to due from related party	913,761,523	-	64,865	-
Initial recognition of lease liability	38,255,757,280	-	2,688,199	-

Notes to the Financial Statements *(Contd...)*

(Expressed in Indonesian Rupiah, unless otherwise stated with Translations into United States Dollar)

31. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities for the years ended March 31, 2020 and 2019 are as follows:

	Year Ended March 31, 2020				
	Beginning Balance	**Cash flows**	**Foreign Exchange**	**Others**	**Ending Balance**
Payment of lease liability	-	(107,216,274)	5,777,593,644	38,678,597,238*	44,348,974,608

	Year Ended March 31, 2019				
	Beginning Balance	**Cash flows**	**Foreign Exchange**	**Others**	**Ending Balance**
Payment of cash dividends	-	(5,675,600,000)	-	5,675,600,000	-

* Represents the present value of future lease payments as of April 1, 2019

PT WAKA OBEROI INDONESIA

Financial statements as of March 31, 2020 and for the year then ended with independent auditors' report

BOARD

Mr. I Ketut Siandana
Mr. Deepak Madhok
Drs. Ec. Wayan Pasek

AUDITORS

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REGISTERED OFFICE

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Desa Sigar Penjalin-
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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, 2020.

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, 2020 are set out in the financial statements on pages 1 to 5 preceded by the independent auditors' report.

Statement of directors' responsibilities in respect of the financial statements

We are responsible for the preparation and the presentation of the financial statements, and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We are also responsible for the Company's internal control systems and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements of the Company, we are required to:

- select suitable accounting policies and then apply them consistently;
- prepare and present the financial statements in accordance with Indonesian Financial Accounting Standards;
- make judgements and estimates that are reasonable and prudent;

We confirm that we have complied with the above requirements in preparing the financial statements and all information contained in the financial statements are complete and correct. The financial statements do not contain or omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, May 18, 2020
On behalf of the Board of Directors

I Wayan Pasek
President Director

Independent Auditor's Report

Report No. 01016/2.1032/AU.1/10/1175-5/1/V/2020

The Stockholders and Boards of Commissioners and Directors
PT Waka Oberoi Indonesia

We have audited the accompanying financial statements of PT Waka Oberoi Indonesia, which comprise the statement of financial position as of March 31, 2020, 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, 2020, 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion thereon.

Purwantono, Sungkaro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

May 18, 2020

Statement of Financial Position
As of March 31, 2020

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	Notes	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2m,4, 22,23	1,712,599,189	2,959,478,485	104,637	207,770
Trade receivables - net	2m,5, 22,23	285,216,213	106,723,378	17,426	7,493
Inventories	2c,6	1,049,030,581	1,015,585,569	64,094	71,299
Prepayments and advances	2d,7	2,118,525,019	1,888,370,662	129,439	132,573
Other current financial assets	2m,22,23	26,268,485	30,401,236	1,605	2,134
TOTAL CURRENT ASSETS		**5,191,639,487**	**6,000,559,330**	**317,201**	**421,269**
NON-CURRENT ASSETS					
Fixed assets - net	2e,8	56,042,186,357	50,165,117,114	3,424,095	3,521,842
Tax amnesty assets - net	2k,10d	181,866,667	258,866,667	11,112	18,174
Other non-current financial assets	2m, 22	126,615,000	126,615,000	7,736	8,889
TOTAL NON-CURRENT ASSETS		**56,350,668,024**	**50,550,598,781**	**3,442,943**	**3,548,905**
TOTAL ASSETS		**61,542,307,511**	**56,551,158,111**	**3,760,144**	**3,970,174**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	2m, 22, 23	607,281,753	200,357,082	37,104	14,066
Other payables	2m, 9, 22, 23				
Third parties		1,007,373,539	242,627,392	61,549	17,034
Related party	12	1,513,538,325	696,158,633	92,475	48,874
Taxes payable	2k,10a,	393,496,844	1,471,393,889	24,042	103,299
Accrued expense	2m,11, 22	3,760,447,056	5,075,018,946	229,758	356,292
Due to related parties	2b,2m, 12,22,23	30,816,108,440	14,667,868,379	1,882,819	1,029,758
Reserve for replacement of furniture, fixtures and equipment	2g,13	7,777,372,077	7,968,498,494	475,186	559,428
Other current financial liabilities	2m,14,22	1,820,231,244	2,343,095,307	111,214	164,498
TOTAL CURRENT LIABILITIES		**47,695,849,278**	**32,665,018,122**	**2,914,147**	**2,293,249**
NON-CURRENT LIABILITY					
Employee benefits liability	2h,15	5,036,745,145	4,622,703,741	307,738	324,537
Deferred tax liability	10c	42,047,811	-	2,569	-
TOTAL NON-CURRENT LIABILITIES		**5,078,792,956**	**4,622,703,741**	**310,307**	**324,537**
TOTAL LIABILITIES		**52,774,642,234**	**37,287,721,863**	**3,224,454**	**2,617,786**

The accompanying notes to the financial statements form an integral part of these Financial Statements taken as a whole.

Statements of Financial Position *(Contd...)*
As of March 31, 2020

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	Notes	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
EQUITY					
Capital stock A series -					
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	346,019,250,000	26,016,500	26,016,500
Additional paid-in capital	2k,10d	385,000,000	385,000,000	28,902	28,902
Other comprehensive loss					
Re-measurement loss on					
long-term employee					
benefits liability		(959,717,169)	(1,142,577,111)	(74,568)	(85,740)
Translation adjustment	2I	-	-	(6,449,227)	(6,109,783)
Deficit		(359,966,167,554)	(349,287,536,641)	(30,435,917)	(29,947,491)
NET EQUITY		**8,767,665,277**	**19,263,436,248**	**535,690**	**1,352,388**
TOTAL LIABILITIES AND EQUITY		**61,542,307,511**	**56,551,158,111**	**3,760,144**	**3,970,174**

The accompanying notes to the financial statements form an integral part of these Financial Statements taken as a whole.

Statement of Profit or Loss and other Comprehensive Income
Year Ended March 31, 2020

(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	2020	2019	2020	2019
DEPARTMENTAL REVENUES	2i,17				
Rooms		12,033,662,151	8,087,538,255	855,220	570,427
Food and beverages		6,257,348,210	4,529,869,527	444,745	319,550
Other operating departments		1,015,318,325	599,190,476	72,159	42,310
Others		1,127,610,440	309,093,521	81,239	21,674
Total Departmental Revenues		20,433,939,126	13,525,691,779	1,453,363	953,961
COST OF GOODS SOLD AND SERVICES	2i,18	**12,582,481,444**	**9,963,721,229**	**892,959**	**700,005**
GROSS PROFIT		**7,851,457,682**	**3,561,970,550**	**560,404**	**253,956**
HOTEL OPERATING EXPENSES	2i				
Property operations, maintenance and energy expenses	19	6,772,261,754	4,389,484,546	480,625	309,003
General and administrative expenses	20	4,763,078,264	6,508,208,410	337,915	455,917
Marketing expenses	21,24	2,964,760,042	2,448,954,130	210,316	170,545
Total Hotel Operating Expenses		14,500,100,060	13,346,647,086	1,028,856	935,465
HOTEL GROSS OPERATING LOSS		**(6,648,642,378)**	**(9,784,676,536)**	**(468,452)**	**(681,509)**
OWNER'S OPERATING INCOME (EXPENSES)	2i				
Depreciation	8,10d	(4,331,247,872)	(3,436,638,944)	(303,768)	(239,925)
Foreign exchange gain (loss) - net	2j	(3,476,113,501)	103,466,519	-	-
Insurance		(1,640,146,811)	(1,324,673,044)	(116,516)	(96,267)
Professional fees		(1,183,304,936)	(1,175,453,616)	(82,503)	(82,201)
Salaries and wages		(755,652,295)	(762,407,108)	(53,285)	(53,272)
Taxes		(178,495,919)	(2,200,000)	(12,582)	(144)
Finance income		757,763	452,425	54	32
Other operating income - net	8	7,576,262,847	20,042,405,606	551,195	1,407,181
Owner's Operating Income (Loss) - Net		**(3,987,940,724)**	**13,444,951,838**	**(17,405)**	**935,404**
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**(10,636,583,102)**	**3,660,275,302**	**(485,857)**	**253,895**
Income tax expense	2k,10c	(42,047,811)	(474,865,715)	(2,569)	(33,338)
INCOME (LOSS) FOR THE YEAR		**(10,678,630,913)**	**3,185,409,587**	**(488,426)**	**220,557**
OTHER COMPREHENSIVE INCOME (LOSS)					
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods: Re-measurement income (loss) on long-term employment benefits liability		182,859,942	(48,070,610)	11,172	(3,375)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods: Translation adjustment		-	-	(339,444)	(37,088)
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(10,495,770,971)**	**3,137,338,977**	**(816,698)**	**180,094**

The accompanying notes to the financial statements form an integral part of these Financial Statements taken as a whole.

Statement of Changes in Equity
Year Ended March 31, 2020

(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, 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 employee 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**
Loss for the year		–	–	–	–	(10,678,630,913)	(10,678,630,913)
Re-measurement loss on long-term employee benefits liability	15	–	–	–	182,859,942	–	182,859,942
Balance as of March 31, 2020		**369,308,550,000**	**385,000,000**	**–**	**(959,717,169)**	**(359,966,167,554)**	**8,767,665,277**

	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	Other Comprehensive Loss (Note 15)	Transaction Adjustment (Note 2l)	Total	Net Equity (Capital Deficiency)
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)
Translation 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**
Loss for the year	–	–	–	(488,426)	–	–	–	(488,426)
Re-measurement income on long-term employee benefits liability	–	–	–	–	11,172	–	11,172	11,172
Translation adjustment	–	–	–	–	–	(339,444)	(339,444)	(339,444)
Balance as of March 31, 2020	**37,466,500**	**28,902**	**–**	**(30,435,917)**	**(74,568)**	**(6,449,227)**	**(6,523,795)**	**535,690**

The accompanying notes to the financial statements form an integral part of these Financial Statements taken as a whole.

Statement of Cash Flows
Year Ended March 31, 2020

(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	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Income (loss) before income tax		(10,636,583,102)	3,660,275,302	(485,857)	253,895
Adjustments to reconcile income before income tax for the year to net cash provided by operating activities:					
Depreciation	8,10d	4,331,247,872	3,436,638,944	303,766	239,925
Provision for replacement of furniture, fixtures and equipment	13	613,018,174	405,770,752	43,600	28,618
Provision for employee benefits net of benefit payments	15	596,901,346	263,373,932	36,470	18,490
Unrealized loss (gain) on foreign exchange		3,476,113,501	(103,466,519)	-	-
Provision for impairment of trade receivables	5	14,385,940	39,304,790	1,080	2,757
Changes in operating asset and liabilities:					
Trade receivables		(142,295,828)	538,903,855	(8,694)	39,542
Inventories		(33,445,012)	201,529,918	(2,043)	14,148
Prepayments and advances		(230,154,357)	(2,936,673,569)	(14,062)	(206,169)
Other current financial assets		4,132,751	3,578,239,014	253	260,132
Trade payables		406,924,671	(572,040,027)	24,863	(46,410)
Other payables		723,615,826	(159,687,058)	44,212	(10,752)
Accrued expenses		(1,348,040,776)	430,153,740	(82,363)	28,072
Taxes payable		(1,077,897,045)	712,998,821	(65,858)	49,350
Due to a related party		460,945,938	(134,797,976)	28,163	(9,898)
Other current liabilities		(522,864,064)	80,460,684	(31,946)	5,345
Net Cash Flows Provided by (Used in) Operating Activities		**(3,363,994,165)**	**9,440,984,603**	**(208,416)**	**667,045**

The accompanying notes to the financial statements form an integral part of these Financial Statements taken as a whole.

Statement of Cash Flows *(Contd...)*
Year Ended March 31, 2020

(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	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	8, 26	(9,477,168,620)	(22,591,327,788)	(679,892)	(1,586,024)
Utilization of reserve for replacement of furniture, fixtures and equipment	13	(804,144,591)	(51,894,000)	(56,843)	(3,643)
Total Cash Used in Investing Activities		**(10,281,313,211)**	**(22,643,221,788)**	**(736,735)**	**(1,589,667)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts of funds from related parties	12, 27	**12,141,550,000**	**13,824,771,715**	**842,018**	**970,568**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		**(1,503,757,376)**	**622,534,530**	**(103,133)**	**47,946**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**256,878,080**	**138,398,659**	**-**	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	2,959,478,485	2,198,545,296	207,770	159,824
CASH ON HAND AND IN BANKS AT END OF YEAR	**4**	**1,712,599,189**	**2,959,478,485**	**104,637**	**207,770**

Information on non-cash activities are disclosed in Note 26.

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, 2020 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, 2020 and 2019 are as follows:

		2020	2019
Board of Commissioners			
President Commissioner	:	Sudarshan Rao	Sudarshan Rao
Commissioner	:	Ida Bagus Gede Yudana	Ida Bagus Gede Yudana
Board of Directors			
President Director	:	I Wayan Pasek	I Wayan Pasek
Director	:	I Ketut Siandana	I Ketut Siandana
Director	:	Deepak Madhok	Deepak Madhok

The Company employed a total of 110 permanent employees as of March 31, 2020 and 2019, 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. The Company resumed operations on 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 18, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesia Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK") issued by the Indonesia Financial Accounting Standards Board ("DSAK") of the Indonesian Institute of Accountants.

Except for the statement of cash flows, the financial statements have been prepared on the accrual concept, using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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 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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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

Short-term employee benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of "Accrued expenses" in the statement of financial position.

Post-employment benefits

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

The Company early adopted PSAK 72 "Revenue from Contract with Customers". PSAK 72 supersedes IAS PSAK 23, Revenue, and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. PSAK 72 establishes a five-step model to account for revenue arising from contract with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PSAK 72 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

The Company adopted PSAK 72 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts that are not competed as of April 1, 2019. The cumulative effect of initially applying PSAK 72 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PSAK 23 and related Interpretations. However, there is no impact to the Company's financial statements in adopting PSAK 72. Thus, there is no adjustment to the opening balance of the retained earnings, as well as, additional disclosures as required under PSAK 72.

Hotel room revenue is recognized based on room occupancy while other hotel revenues are recognized when the goods are delivered or the services are rendered to the customers.

Expenses are recognized when they are incurred.

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, 2020 and 2019, the rates of exchange used were Rp16,367 and Rp14,244, 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 period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

Value added tax (''VAT'')

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the Tax Office, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

Change in Tax Rates

On March 31, 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, reduction to the tax rates for corporate income tax payers and permanent establishments entities from previously 25% to become 22% for fiscal years 2020 and 2021 and 20% starting fiscal year 2022 and onwards, and further reduction of 3% for corporate income tax payers that fulfill certain criteria.

The new tax rates are used as reference to measure the current and deferred tax assets and liabilities starting from the enactment date of the new regulation on March 31, 2020.

Tax amnesty

On 19 September 2016, the Indonesia Financial Accounting Standards Board (DSAK IAI) issued PSAK 70, "Accounting for tax amnesty assets and liabilities".

This PSAK provides accounting policy choice for the entity to account the asset and liabilities in accordance with the provision of Tax Amnesty Law. The alternative accounting options are:

- To use the existing applicable standard under SAK.
- To use the specific provision in PSAK 70.

Management decided to use the specific provision in PSAK 70. According to specific provision of 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 (Rp16,367 to US$1, and Rp14,244 to US$1 as last quoted by Bank Indonesia as of March 31, 2020 and 2019, 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, 2020 and 2019, 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...)*

(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, 2020 and 2019, 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

<u>Financial assets</u>

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.

<u>Financial liabilities</u>

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

n. Adoption of Amendments and Improvements to PSAK

The Company has adopted several amendments and improvements to PSAK and new ISAK that are mandatory for application effective April 1, 2019. The adoption of the following amendments and improvements to PSAK and new ISAK did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

<u>ISAK 34: Uncertainty over Income Tax Treatments</u>

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PSAK 46: Income Taxes. It does not apply to taxes or levies outside the scope of PSAK 46, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit/(tax loss), tax bases, unused tax losses, unused tax credits and tax rate
- How an entity considers changes in facts and circumstances

The Company applies significant judgement in identifying uncertainties over income tax treatments.

<u>Amendments to PSAK 24: Employee Benefits - Plan Amendment, Curtailments or Settlement.</u>

The amendments to PSAK 24 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. The entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

<u>Amendments to PSAK 26: Borrowing Costs</u>

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

<u>Amendments to PSAK 46: Income Taxes</u>

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognized those past transactions or events.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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.

<u>Estimation of Employee Benefits Liability</u>

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

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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, 2020 and 2019 amounted to Rp56,042,186,357 and Rp50,165,117,114, 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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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,	
	2020	2019	2020	2019
Cash on hand				
Rupiah	79,500,001	79,500,006	4,857	5,580
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	518,480,839	6,303,246	31,678	443
PT Bank Mandiri (Persero) Tbk	41,945,428	2,817,970,558	2,563	197,836
PT Bank Central Asia	1,000,000	-	61	-
PT Bank Internasional Indonesia	112,544	-	7	-
PT Bank Maybank Indonesia Tbk	-	2,461,645	-	173
Sub-total	561,538,811	2,826,735,449	34,309	198,452
U.S. dollar				
PT Bank Negara Indonesia (Persero) Tbk	1,040,825,106	25,567,365	63,593	1,795
PT Bank Internasional Indonesia	30,735,271	-	1,878	-
PT Bank Maybank Indonesia Tbk	-	27,675,665	-	1,943
Sub-total	1,071,560,377	53,243,030	65,471	3,738
Total	**1,712,599,189**	**2,959,478,485**	**104,637**	**207,770**

Interest income from cash in banks amounting to Rp757,763 and Rp452,425 for the years ended March 31, 2020 and 2019, respectively, is presented as part of “Finance income” in the statement of profit or loss and other comprehensive income. As of March 31, 2020 and 2019, none of the Company’s cash on hand and in banks are restricted in use or used as collateral.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

5. TRADE RECEIVABLES - NET

Trade Receivables - Net consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
City ledger	338,906,943	139,980,169	20,706	9,827
Guest ledger	-	6,047,999	-	425
Total	338,906,943	146,028,168	20,706	10,252
Less: allowance for impairment	(53,690,730)	(39,304,790)	(3,280)	(2,759)
Net	**285,216,213**	**106,723,378**	**17,426**	**7,493**

City ledger represents receivable from travel agents, banks 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, 2020 and 2019.

The ageing analysis of these receivables is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
Current	280,179,304	106,723,378	17,119	7,493
Past due				
1-30 days	55,443,386	_	3,386	_
31-60 days	3,284,253	_	201	_
Over 60 days	_	39,304,790	_	2,759
Total	338,906,943	146,028,168	20,706	10,252
Less allowance for impairment	(53,690,730)	(39,304,790)	(3,280)	(2,759)
Net	**285,216,213**	**106,723,378**	**17,426**	**7,493**

The movements in the allowance for impairment are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
Balance at the beginning of year	39,304,790	-	2,759	-
Provisions during the year	20,433,939	39,304,790	1,450	2,757
Reversals during the year	(6,047,999)	-	(370)	-
Translation adjustment	-	-	(559)	2
Balance at end of year	**53,690,730**	**39,304,790**	**3,280**	**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, 2020 is sufficient to cover losses from impairment of such receivables.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

6. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	**2019**	**2020**	**2019**
Materials and supplies	570,673,722	527,152,019	34,867	37,008
Beverages	293,469,045	298,658,420	17,931	20,967
Food	122,919,180	131,636,406	7,510	9,242
Boutique	60,091,662	57,612,057	3,672	4,045
Tobacco	1,876,972	526,667	114	37
Total	**1,049,030,581**	**1,015,585,569**	**64,094**	**71,299**

The Company's inventories as of March 31, 2020 and 2019 are stated at cost. Management believes that no allowance for losses is necessary on the inventories as of March 31, 2020 and 2019 since the inventories are fully usable.

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,	
	2020	**2019**	**2020**	**2019**
Prepaid insurance	1,121,389,946	1,480,086,186	68,515	103,909
Advance purchases	896,291,564	350,754,269	54,762	24,625
Prepaid others	100,843,509	57,530,207	6,162	4,039
Total	**2,118,525,019**	**1,888,370,662**	**129,439**	**132,573**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

8. FIXED ASSETS - NET

The details of fixed assets-net are as follows:

	Year Ended March 31, 2020				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	57,968,017,572	7,001,195,257	-	8,186,255,153	73,155,467,982
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,191,024,243	560,200,000	-	-	11,751,224,243
Furniture, fixtures and equipment	15,711,356,720	442,753,316			16,154,110,036
Motor vehicles	1,222,543,500	255,200,000	-	-	1,477,743,500
Construction in Progress	6,599,131,609	1,871,968,542	-	(8,186,255,153)	284,844,998
Total Cost	103,322,324,067	10,131,317,115	-	-	113,453,641,182
Accumulated Depreciation					
Buildings	28,200,746,227	2,024,666,614	-	-	30,225,412,841
Structures and improvements	4,978,843,624	42,929,529	-	-	5,021,773,153
Machinery and equipment	8,112,903,269	597,883,341	-	-	8,710,786,610
Furniture, fixtures and equipment	10,857,779,920	1,443,141,722	-	-	12,300,921,642
Motor vehicles	1,006,933,913	145,626,666	-	-	1,152,560,579
Total Accumulated Depreciation	53,157,206,953	4,254,247,872	-	-	57,411,454,825
Net Book Value	**50,165,117,114**				**56,042,186,357**

	Year Ended March 31, 2019				
	Indonesian Rupiah				
	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 - NET – *Contd.*

	Year Ended March 31, 2020					
	Translations into U.S. Dollar - Unaudited (Note 2l)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	384,057	-	-	-	(49,817)	334,240
Buildings	4,069,645	497,093	-	576,088	(673,133)	4,469,693
Structures and improvements	362,239	-	-	-	(46,986)	315,253
Machinery and equipment	785,666	39,927	-	-	(107,610)	717,983
Furniture, fixtures and equipment	1,103,016	31,242	-	-	(147,267)	986,991
Motor vehicles	85,830	18,208	-	-	(13,750)	90,288
Construction in Progress	463,291	133,390	-	(576,088)	(3,193)	17,400
Total Cost	7,253,744	719,860	-	-	(1,041,756)	6,931,848
Accumulated Depreciation						
Buildings	1,979,833	141,999	-	-	(275,104)	1,846,728
Structures and improvements	349,540	3,011	-	-	(45,728)	306,823
Machinery and equipment	569,566	41,932	-	-	(79,282)	532,216
Furniture, fixtures and equipment	762,271	101,213	-	-	(111,917)	751,567
Motor vehicles	70,692	10,214	-	-	(10,487)	70,419
Total Accumulated Depreciation	3,731,902	298,369	-	-	(522,518)	3,507,753
Net Book Value	**3,521,842**					**3,424,095**

	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)	717,983
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 Accumulated Depreciation	3,635,455	234,642	(14,867)	-	(123,328)	3,731,902
Net Book Value	**1,955,190**					**3,521,842**

1) Reclassification from Construction in progress to Building amounting to RpUS$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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

8. FIXED ASSETS - NET – *Contd.*

Related to the renovation of hotel properties, the percentage of completion of construction in progress as of March 31, 2020 is 98% which was completed on April 9, 2020.

Depreciation charged to operations amounted to Rp4,254,247,872 and Rp3,359,638,944 for the years ended March 31, 2020 and 2019, respectively. The Company's fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies with total coverage amounting to US$28,650,000 (Rp468,914,550,000) and US$27,000,000 (Rp384,588,000,000) in 2020 and 2019 respectively. Further, the Company is also covered by insurance against business interruption under blanket policies with total coverage amounting to US$2,750,000 (Rp45,009,250,000) and US$8,500,000 (Rp121,074,000,000) in 2020 and 2019. 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.

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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

8. FIXED ASSETS - NET *(Contd.)*

The Company also filed for insurance claims against its insurance provider in relation to the business interruption as a result of the damages from fire and received the approvals of claims on September 6, 2019 for a total coverage amounting to IDR6,415,115,650 which were all fully collected as of March 31, 2020.

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,	
	2020	2019	2020	2019
Estimated claims from insurance, beginning	-	536,484,000	-	2,970,000,000
Claims approved by Insurance	-	4,070,998,267	6,415,115,650	16,954,811,100
Total claims from insurance	-	4,607,482,267	6,415,115,650	19,924,811,100
Proceeds from insurance claims:				
April 1, 2018 to March 31, 2019	-	4,607,482,267	-	19,924,811,100
April 1, 2019 to March 31, 2020	-	-	6,415,115,650	-
Gain from foreign exchange	-	702,000	-	-
Total proceeds from insurance claims	-	4,608,184,267	6,415,115,650	19,924,811,100
Estimated claims from insurance, ending	**-**	**-**	**-**	**-**

Approved claims from insurance amounting to Rp6,415,115,650 and Rp21,025,809,367 as of March 31, 2020 and 2019, 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,	
	2020	2019	2020	2019
Total claims from insurance	-	4,607,482,267	6,415,115,650	19,924,811,100
Claims already recognized as gain on insurance in prior year	-	(536,484,000)	-	(2,970,000,000)
Gain on Insurance Claims	**-**	**4,070,998,267**	6,415,115,650	**16,954,811,100**

As of March 31, 2020 and 2019, 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,	
	2020	**2019**	**2020**	**2019**
Related Party (Note 12)				
Marketing and sales promotion expenses	1,513,538,325	696,158,633	92,475	48,874
Third Parties				
General reserve	71,363,101	14,359,262	4,360	1,008
Others	936,010,438	228,268,130	57,189	16,026
Subtotal	1,007,373,539	242,627,392	61,549	17,034
Total	**2,520,911,864**	**938,786,025**	**154,024**	**65,908**

10. TAXATION

a. Taxes payable consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	**2019**	**2020**	**2019**
Development tax I	98,906,854	776,568,208	6,043	54,519
Income tax				
Article 21	54,441,408	21,318,143	3,326	1,497
Article 23	235,339,782	193,936,224	14,379	13,615
Article 26	4,808,800	4,705,600	294	330
Article 29	-	474,865,714	-	33,338
Total	**393,496,844**	**1,471,393,889**	**24,042**	**103,299**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

10. TAXATION – *Contd.*

b. A reconciliation between income (loss) 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, 2020	Year Ended March 31, 2019
Income (loss) before income tax per statement of profit or loss and other comprehensive income	(10,636,583,102)	3,660,275,302
Temporary differences:		
Provision for replacement of furniture, fixtures and equipment - net	(191,126,417)	353,876,753
Provision for employee benefits	686,162,447	537,001,231
Employee benefit payments	(89,261,101)	(273,627,299)
Provision for impairment of trade receivables - net	14,385,940	39,304,790
Depreciation	111,375,223	(76,008,321)
Permanent differences:		
Interest income already subjected to final tax	(36,287,324)	(40,803,886)
Depreciation	77,000,000	77,570,833
Others	185,504,814	81,708,498
Estimated taxable income (loss) for the year	(9,878,829,520)	4,359,297,901
Tax losses carryforward at beginning of year	-	(2,314,614,903)
Estimated taxable income (tax loss carryforward) at end of the year	**(9,878,829,520)**	**2,044,682,998**

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)	
	March 31,		March 31,	
	2020	2019	2020	2019
Income (loss) before income tax	(10,636,583,102)	3,660,275,302	(485,857)	253,895
Estimated tax expense (benefit) based on prevailing tax rate	(2,659,145,776)	915,068,826	(121,464)	63,474
Net permanent difference at the applicable tax rate	56,554,373	29,618,861	3,958	2,051
Unrecognized deferred tax assets-net	2,644,639,214	145,136,789	120,419	10,204
Tax losses carryforward utilization	-	(578,653,726)	-	(42,066)
Tax facility of income tax art. 31 E	-	(36,305,035)	-	(2,521)
Translation adjustment	-	-	(344)	2,196
Income tax expenses	**42,047,811**	**474,865,715**	**2,569**	**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 RpNil and Rp36,305,036 for the years ended March 31, 2020 and 2019.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

10. TAXATION – *Contd.*

As of March 31, 2020 and 2019, 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)	
	March 31,		March 31,	
	2020	2019	2020	2019
Tax losses carry-forward benefits	9,878,829,522	-	603,582	-
Reserve for replacement of FFE	7,777,372,077	7,968,498,494	475,186	559,428
Long-term employee benefit liability	5,036,745,145	4,622,703,741	307,738	324,537
Allowance for doubtful accounts	53,690,730	39,304,790	3,280	2,759

Deferred tax liability arose from current year movements of reserve for replacement of FFE.

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, 2020 and 2019, 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)	
	March 31,		March 31,	
	2020	2019	2020	2019
Balance as approved by tax authority	385,000,000	385,000,000	28,902	28,902
Accumulated depreciation	(203,333,333)	(126,133,333)	(14,254)	(8,855)
Translation adjustment	-	-	(3,536)	(1,873)
Net book value	**181,666,667**	**258,866,667**	**11,112**	**18,174**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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,	
	2020	2019	2020	2019
Professional fees	1,077,629,252	1,345,022,294	65,842	94,427
Salaries and allowance	614,729,688	492,160,879	37,559	34,552
Human resources	356,197,158	365,939,479	21,763	25,691
Repairs and maintenance	315,593,954	219,513,218	19,282	15,411
Marketing	264,623,856	222,541,048	16,168	15,623
Utilities	144,577,195	117,174,917	8,833	8,226
Others	987,095,953	2,312,667,111	60,311	162,362
Total	**3,760,447,056**	**5,075,018,946**	**229,758**	**356,292**

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
Due to related parties				
EIH Holdings Ltd.	29,166,616,437	13,824,771,715	1,782,037	970,568
PT Widja Putra Karya	1,649,492,003	843,096,664	100,782	59,190
Total	**30,816,108,440**	**14,667,868,379**	**1,882,819**	**1,029,758**
Other payables: (Note 9)				
EIH Holdings Ltd.	1,513,538,325	696,158,633	92,475	48,874

For the years ended March 31, 2020 and 2019, the Company received funds from EIH Holdings, Ltd. to support its operations and for working capital requirements amounting to Rp13,824,771,715 and Rp11,733,761,877, respectively.

The Company also received funds and operating expenses support from PT Widja Putra Karya amounting to Rp7,123,100,000 for the year ended March 31, 2020.

Salaries and wages of the Company's key management personnel amounted to Rp747,667,045 (US$52,863) and Rp753,836,756 (US$52,663) in 2020 and 2019, respectively (unaudited).

In the normal course of its business, the hotel has entered into transactions with related parties as follows:

Related parties	Nature of relationships	Type of transactions
PT Widja Putra Karya	Entity under common control	Intercompany advances and share in proceeds from sale of vacation packages, operating expenses
EIH Holdings Ltd.	Parent company	Management fee, payable to finance hotel operations, and international sales promotion

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)	
	March 31,		March 31,	
	2020	2019	2020	2019
Balance at beginning of year	7,968,498,494	7,614,621,742	559,428	553,549
Provision during the year (Note 21)	613,018,174	405,770,752	43,600	28,618
Utilization of reserve	(804,144,591)	(51,894,000)	(56,843)	(3,643)
Translation adjustment	-	-	(71,001)	(19,096)
Balance at end of year	**7,777,372,077**	**7,968,498,494**	**475,186**	**559,428**

14. OTHER CURRENT FINANCIAL LIABILITIES

This account pertains to guest deposits from customers and travel agents amounting to Rp1,820,231,244(US$ 111,214) and Rp2,343,095,307(US$164,498) as of March 31, 2020 and 2019, 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, 2020 and 2019 as determined by PT Lastika Dipa, an independent actuary, in their reports dated April 10, 2020 and April 10, 2019, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2020 and 2019, are as follows:

Discount rate	: 8.73% in 2020 and 8.54% in 2019
Annual salary increase	: 8.00% per annum in 2020 and 2019
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)

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY – *Contd.*

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,	
	2020	2019	2020	2019
Current service cost	299,006,446	285,779,774	18,269	20,063
Interest cost	387,156,001	251,221,457	23,655	17,637
Employee benefit expense	**686,162,447**	**537,001,231**	**41,924**	**37,700**

b. Details of employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	March 31,		March 31,	
	2020	2019	2020	2019
Present value of defined benefits obligation	**5,036,745,145**	**4,622,703,741**	**307,738**	**324,537**

c. Movements in employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2020	2019	2020	2019
Beginning balance	4,622,703,741	4,311,259,199	324,537	313,409
Employee benefit expense	686,162,447	537,001,231	41,924	37,700
Benefit payments	(89,261,101)	(273,627,299)	(5,454)	(19,210)
Other comprehensive loss (income)	(182,859,942)	48,070,610	(11,172)	3,375
Translation adjustment	-	-	(42,097)	(10,737)
Ending balance	**5,036,745,145**	**4,622,703,741**	**307,738**	**324,537**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY – *Contd.*

d. Movements in the present value employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2020	2019	2020	2019
Beginning balance	4,622,703,741	4,311,259,199	324,537	313,409
Employee benefit expense	686,162,447	537,001,231	41,924	37,700
Benefit payments	(89,261,101)	(273,627,299)	(5,454)	(19,210)
Actuarial loss (gain) due from:				
Experience adjustment	(274,879,207)	293,043,849	(16,794)	20,573
Changes in financial assumption	92,019,265	(244,973,239)	5,622	(17,198)
Translation adjustment	-	-	(42,097)	(10,737)
Ending balance	**5,036,745,145**	**4,622,703,741**	**307,738**	**324,537**

The expected total undiscounted pension benefit payments in Indonesian rupiah for the subsequent years are as follows:

Within the next 12 months (the next annual reporting year)	:	545,079,266
Between 2 and 5 years	:	1,164,620,835
Between 5 and 10 years	:	6,043,192,184
Beyond 10 years	:	44,252,602,660

The average duration of the long-term employee benefits liability is 16.51 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, 2020 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	Discount Rate	Salary Rate	Discount Rate	Salary Rate
Increase by 1%	(331,215,632)	368,958,878	(20,237)	22,543
Decrease by 1%	373,382,806	(333,146,422)	22,813	(20,355)

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, 2020 and 2019 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	Translations into U.S. Dollar - Unaudited (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**

On September 7, 2019, the shareholders approved the transfer of 8,757 series A shares in the Company from PT Waka Gae Selaras (WGS) to EIH Holdings, Ltd., (EIHH) and the transfer of 46,135 series B shares in the Company from EIHH to PT WGS. As of report date, the transfer has not yet been executed. 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 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.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

17. 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,	
	2020	**2019**	**2020**	**2019**
Room department				
Villa	5,828,220,868	4,693,153,796	414,206	331,015
Pavillion	6,205,441,283	3,394,384,459	441,014	239,412
Sub-total	12,033,662,151	8,087,538,255	855,220	570,427
Food and beverages department				
Food	4,615,425,673	3,362,511,190	328,043	237,197
Beverages	1,641,922,537	1,167,358,337	116,702	82,353
Sub-total	6,257,348,210	4,529,869,527	444,745	319,550
Other operating departments				
Health spa	667,999,663	367,370,969	47,518	25,959
Boutique	244,006,456	162,829,037	17,299	11,488
Telephone and facsimile	52,829,114	34,853,899	3,755	2,460
Laundry	50,483,092	34,136,571	3,587	2,403
Sub-total	1,015,318,325	599,190,476	72,159	42,310
Others	1,127,610,440	309,093,521	81,239	21,674
Total	**20,433,939,126**	**13,525,691,779**	**1,453,363**	**953,961**

In 2020 and 2019, the average hotel room occupancy rates were 22.7% and 56.5%, 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)	
	Year Ended March 31,		Year Ended March 31,	
	2020	**2019**	**2020**	**2019**
Food and beverages	1,874,381,345	1,263,188,951	133,244	89,156
Payroll and related expenses:				
Salaries and wages	3,735,447,588	3,928,909,264	264,926	275,233
Employee benefits	1,977,337,992	1,702,937,713	140,204	119,269
Other expenses:				
Travel agents	892,000,000	595,328,740	63,388	42,126
Security	659,302,201	624,836,208	46,760	43,738
Cleaning and guest supplies	569,866,052	304,481,181	40,483	21,517
Welcome drinks, fruit baskets, and amenities	400,547,032	210,140,821	28,460	14,865
Linens and uniforms	328,204,124	167,800,425	23,299	11,849
Laundry	315,723,112	147,287,364	22,453	10,381
Boutique	208,349,981	123,937,204	14,764	8,743
Transportation and travel	144,508,155	95,363,050	10,255	6,733
Telephone and communication	142,016,729	79,118,431	10,085	5,608
Health club	112,770,672	85,284,325	7,995	6,008
Loss and damages	103,747,025	65,628,045	7,358	4,626
Cultural music and shows	90,399,660	68,973,625	6,411	4,862
Decoration	85,011,677	30,012,198	6,034	2,118
Cable television and music	80,482,246	44,000,000	5,719	3,113
Kitchen Fuel	70,490,937	17,846,808	4,999	1,258
Others	791,894,916	408,646,876	56,122	28,802
Total	**12,582,481,444**	**9,963,721,229**	**892,959**	**700,005**

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)	
	Year Ended March 31,		Year Ended March 31,	
	2020	**2019**	**2020**	**2019**
Repairs and maintenance	2,050,524,570	1,251,677,828	145,393	86,848
Electricity	1,733,007,425	1,106,305,386	123,068	78,005
Fuel	788,405,111	575,251,842	55,989	40,561
Salaries and wages	677,557,479	620,898,378	48,032	44,718
Provision for replacement of furniture fixtures and equipment (Note 13)	613,018,174	405,770,752	43,601	28,618
Supplies	450,283,346	249,850,594	31,922	17,584
Water	368,995,900	146,556,587	26,207	10,334
Others	90,469,749	33,173,179	6,413	2,335
Total	**6,772,261,754**	**4,389,484,546**	**480,625**	**309,003**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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,	
	2020	**2019**	**2020**	**2019**
Salaries and wages	1,784,626,395	2,294,026,649	126,603	160,613
Employee benefits	572,814,632	716,906,780	40,639	50,187
Commission on credit cards	351,390,710	224,484,005	24,930	15,716
Transportation and travel	217,883,592	191,654,797	15,458	13,418
Insurance	214,552,938	213,902,935	15,222	14,976
Licenses and taxes	117,175,943	66,911,474	8,313	4,685
Telephone and communication	89,385,601	71,499,786	6,342	5,006
Printing and stationery	75,687,025	35,426,225	5,370	2,480
Bank charges	54,002,537	70,315,989	3,831	4,923
Others	1,285,558,891	2,623,079,770	91,207	183,913
Total	**4,763,078,264**	**6,508,208,410**	**337,915**	**455,917**

21. MARKETING EXPENSES

The details of marketing expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2020	**2019**	**2020**	**2019**
Advertising and promotion	1,877,944,973	1,496,712,996	133,128	103,967
Sales promotion expenses (Note 24)	613,018,174	405,770,752	43,600	28,618
Transportation and travel	127,939,416	218,125,445	9,070	15,152
Others	345,857,479	328,344,937	24,518	22,808
Total	**2,964,760,042**	**2,448,954,130**	**210,316**	**170,545**

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company has various financial assets such as cash on hand and in banks, trade receivables - net and other current and non-current financial assets which arise directly from the Company's operations.

The Company's principal financial liabilities consist of trade payables, other payables, accrued expenses, due to related parties and other current financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

The carrying values of the Company's financial assets and liabilities approximate their fair values as of March 31, 2020 and 2019.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Current financial assets and liabilities:

- Current financial instruments with remaining maturities of one year or less (cash on hand and in banks, trade receivables, other current financial assets, trade payables, other payables, accrued expenses, due to related parties, and other current financial liabilities)

  The carrying values of the Company's current financial assets and liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

Non-current financial asset:

- Long-term financial assets (other non-current financial assets)

  The fair values of other non-current financial assets are assumed to be the same as the cash amount that will be received due to the fact that the maturity of such financial assets is not stated in related contract and the management is not yet able to determine when the financial assets will be realized.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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, 2020, the Company's loan payable increases in Indonesian rupiah terms. However, the increase in this obligation will be offset in part by the increase in the value of its U.S. dollar-denominated cash in banks.

	Amount in Foreign Currency		Rupiah Equivalent
Assets			
Cash on hand and in banks	US$	97,500	1,595,782,500
Trade receivables	US$	20,763	339,828,021
Total			1,935,610,521
Liabilities			
Due to related parties	US$	1,782,037	29,166,616,437
Other payables	US$	92,475	1,513,538,325
Total			30,680,154,762
Net Liabilities			**28,744,544,241**

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.

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

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,	
	2020	2019	2020	2019
Current Financial Assets				
Cash on hand and in banks	1,712,599,189	2,959,478,485	104,637	207,770
Trade receivables - net	285,216,213	106,723,378	17,426	7,493
Other current financial assets	26,268,485	30,401,236	1,605	2,134
Total Financial Assets	**2,024,083,887**	**3,096,603,099**	**123,668**	**217,397**

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, 2020 and 2019 which was due within a year. As of March 31, 2020, the Company's current liabilities exceed its current assets by Rp42,504,209,791.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy cash flows in order to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital or issue new shares.

The Company reported net loss of Rp10,495,770,971 (US$816,698) for the year ended March 31, 2020 resulting in deficit and capital deficiency of Rp359,966,167,554 and Rp8,767,665,277, respectively. In addition, the Company's total current liabilities exceeded its total current assets by Rp42,504,209,791 (US$2,596,946) as of March 31, 2020. During the year 2019-2020, losses incurred were due to:

- Closure of hotel operations for renovations following the earthquake in August 2018. The hotel opened partially on June 15, 2019 with 33 rooms and remaining 17 rooms were opened on September 21, 2019. The hotel has lodged a claim with the insurers for loss of profit under business interruption policy which is under process.
- Impact of novel corona virus disease 2019 (COVID-19) during the last quarter of fiscal year 2019-2020 during which travel restrictions were imposed globally and by the local government of West Nusa Tenggara.

The outbreak of COVID-19 continues to progress and evolve. The extent and duration of impacts of COVID-19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore, it is challenging to predict the full extent and duration of COVID-19 on business, tourism, hotel and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, the management estimates a possible scenario of normal business conditions returning gradually after 6 months and thereafter stabilizing in the last quarter of year 2020. In the following year 2021, it is estimated that the normalcy would return.

Notes to the Financial Statements *(Contd...)*

(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

As part of its continuing efforts to respond to and manage the effects of the aforementioned conditions, the Company has undertaken and is continuously implementing the following measures, among others:

- Closure of mainline hotel operations as well as food and beverage outlets until government declares tourism and hotel activities are safe to resume; and,
- Cost-cutting measures including human resources shifting, contracts assessments, utilities and housekeeping reduction, suspension of sales representation with cancellation of sales travel and capping a minimum budget expenditure until operations go back to normalcy.

The Company will continuously assess the above measures throughout the duration of the outbreak.

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 96.33% shareholdings in the Company, have provided a written confirmation on its intention and ability to provide financial support if and when required by the Company to allow it to continue as a going concern entity. Further, the Company's claims for loss of profit under business interruption policy amounting to Rp28,391,003,676 (US$1,734,755) is in progress. The management believes that the insurance company will process the claims in accordance with the insurance policy and settle the claims in 2020.

As of the completion date of the financial statements, the probability of the success of the Company's continuing efforts will still be affected by some uncontrollable factors including uncertainty in the extent and duration of the impact of COVID-19.

The financial statements have been prepared assuming that the Company will continue as a going concern entity. The financial statements did not include any adjustment that might result from these uncertainties.

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, 2020:

Effective beginning on or after April 1, 2020:

a. 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

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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.

b. Amendment to PSAK 1 and PSAK 25: Definition of Material. This amendment clarifies the definition of material with the aim of harmonizing the definitions used in the conceptual framework and some relevant PSAKs. In addition, it also provides clearer guidance regarding the definition of material in the context of reducing over disclosure due to changes in the threshold of the material definition.

c. Amendments to PSAK 22: Definition of Business. These amendments were issued to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

26. 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,	
	2020	2019	2020	2019
Additions to fixed assets charged to:				
Other payables	654,148,497	-	39,968	-

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities for the years ended March 31, 2020 and 2019 are as follows:

	Year Ended March 31, 2020				
	Beginning Balance	Cash flows	Foreign Exchange	Others	Ending Balance
Due to related parties	14,667,868,379	12,141,550,000	3,545,744,123	460,945,938	30,816,108,440

	Year Ended March 31, 2019				
	Beginning Balance	Cash flows	Foreign Exchange	Others	Ending Balance
Due to related parties	977,894,640	13,824,771,715	(134,797,976)	-	14,667,868,379

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 2020.

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 (2019: $Nil) after providing for income tax of $Nil (2019: $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 2020.

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:

8 May 2020

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 2020, 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 2020, and its financial performance for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist the directors of PT Astina Graha Ubud to meet their financial reporting requirements. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the members of PT Astina Graha Ubud and should not be distributed to parties other than the members.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

ERNST & YOUNG

Adelaide
8 May 2020

Statement of Comprehensive Income
For the year ended 31 March 2020

(Expressed in United States Dollars)

	Note	**31 March 2020**	31 March 2019
		$	$
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 2020

(Expressed in United States Dollars)

	Note	**31 March 2020**	31 March 2019
		$	$
Current Assets			
Amount due to related parties		**-**	-
Total Current Assets		**-**	-
Non-Current Assets			
Property, plant and equipment		**6,184,948**	6,181,436
Total Current Assets		**6,184,948**	6,181,436
Total Assets		**6,184,948**	6,181,436
Current Liabilities			
Amount due to related parties		**-**	-
Total Current Liabilities		**-**	-
Non-Current Liabilities			
Amount due to shareholders		**3,584,948**	3,581,436
Total Non-Current Liabilities		**3,584,948**	3,581,436
Total Liabilities		**3,584,948**	3,581,436
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 2020

(Expressed in United States Dollars)

	Share Capital $	Retained Earnings $	Total Equity $
As at 1 April 2019	**2,600,000**	**-**	**2,600,000**
Profit for year	-	-	-
Other comprehensive income	-	-	-
As at 31 March 2020	**2,600,000**	**-**	**2,600,000**

	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**

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 2020

(Expressed in United States Dollars)

1. Corporate information

The financial report of PT Astina Graha Ubud. (the "Company") for the year ended 31 March 2020 was authorised for issue on 8 May 2020.

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 16 Leases, 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.

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 which are subject to an insignificant risk of changes in value.

(f) Fixed Assets

Fixed assets are stated at cost less any accumulated impairment losses and depreciation. Depreciation is calculated from when an asset is first held ready for use.

The carrying values of fixed assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of fixed assets is the higher of fair value less costs to sell and value in use.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

(g) Deferred Taxation

Deferred taxation is calculated under the liability method in respect of the taxation effect arising from all timing differences between profit as computed for taxation purposes and profit as stated in the financial statements which are expected with reasonable probability to crystallise in the foreseeable future.

(h) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Key judgements and estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. The extent and duration of impacts of COVID 19 remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment globally. Therefore it is challenging to predict the full extent and duration of COVID 19 on business and economic activities.

Given the ongoing economic uncertainty and the various stringent control measures undertaken by all countries globally, we estimate a possible scenario of normal business conditions returning gradually after 6 months and thereafter stabilising in the last quarter of year 2020. In the following year 2021 it is estimated that the normalcy would return.

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 2020 $	31 March 2019 $
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 2020 $	31 March 2019 $
Fees	-	-
Other emoluments	-	-

7. Share Capital

	31 March 2020 $	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 2020;

(b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2020; and

(c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of Directors.

8 May 2020 Deepak Madhok