DIRECTORS' REPORT

The Members
Mashobra Resort Limited

The Board presents its Twenty Seventh Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2022.

FINANCIAL HIGHLIGHTS

The financial highlights of the year under review as compared to the previous year are as follows:

Particulars	**Rs. in Million**	
	2021-22	**2020-21**
Total Revenue	**738.55**	390.75
Operating Profit before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	**418.60**	197.46
Interest	**1.03**	0.99
Depreciation and Amortization Expenses	**14.16**	14.20
Profit /(Loss) before Tax	**403.41**	182.27
Tax including Deferred Tax	**118.79**	54.48
Profit/ (Loss) after Tax	**284.62**	127.79
Other Comprehensive Income/(Loss), net of tax	**0.04**	1.11
Total Comprehensive Income	**284.66**	128.90
Profit/(Loss) Brought Forward from earlier year	**417.32**	288.42
Profit/(Loss) Carried Over	**701.98**	417.32

PERFORMANCE

The performance of the Company was affected due to the outbreak of second and third waves of the Covid-19 pandemic during the Financial Year. The lockdowns imposed by the Central and State Governments as well other countries globally and consequent travel restrictions to avoid spread of the Covid-19 pandemic had an impact on almost all business segments i.e. corporate, leisure, MICE and direct business, all of which were severely impacted. The hospitality industry, in general has been severely impacted in terms of occupancy, ARR, RevPAR, turnover and profitability resulting from the Covid-19 pandemic. Due to travel bans by several countries foreign travellers coming to India has become almost negligible. This has severely impacted the hotel industry in the Financial Year 2021 - 22. However, with India's very successful vaccination drive that resulted in Covid-19 pandemic infection declining, domestic travel and marketing and sales initiative taken by the Hotels to boost occupancies resulted in strong performance by the Company for the Financial Year.

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

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

- All public areas such as Restaurants, SPA, Gym, swimming pool etc. made non-operational on States directives;
- Temperature measuring devices provided at the hotel for continuous monitoring of guests and employees;
- General Manager of the Hotel in continuous touch with local health officials for implementation of necessary guidelines.
- All the staff fully vaccinated.

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, applicable Accounting Standards have been followed and there are no material departures;

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

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

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

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

DIRECTORS

Mr. Anil Kumar Khachi, Mr. Devesh Kumar and Mr. S.N. Sridhar ceased to be Directors of the Company w.e.f. 26th October 2021, 22nd July 2021 and 1st September 2021 respectively. The Board places on record its deep appreciation of the services rendered and valuable contributions made by Mr. Anil Kumar Khachi, Mr. Devesh Kumar and Mr. S.N. Sridhar during their tenure as Director on the Board of the Company.

Mr. Ram Subhag Singh, (DIN: 02659274) and Mr. Subhasish Panda (DIN: 02331848) were appointed as Additional Directors on the Board of the Company w.e.f. 26th October 2021. Pursuant to provision of Section 161(1) of the Act, they hold office upto the date of the forthcoming Annual General Meeting.

The Government of Himanchal Pradesh has nominated Mr. Devesh Kumar, IAS to be appointed as Director in place Mr. Subhasish Panda, IAS. Therefore, Mr. Subhasish Panda had relinquished the office of Director and Mr. Devesh Kumar, IAS was appointed as Additional Director on the Board of the Company w.e.f. 29th April 2022, who shall hold office upto the date of the forthcoming Annual General Meeting, pursuant to provision of Section 161(1) of the Act. The Directors recommend the appointment of Mr. Ram Subhag Singh and Mr. Devesh Kumar as a regular Director at the ensuing Annual General Meeting, liable to retire by rotation.

Mr. Kallol Kundu (DIN: 09377233) was appointed as Director by the Board on 26th October 2021 in the casual vacancy caused due to the vacation of office by Mr. S.N. Sridhar. The appointment of Mr. Kallol Kundu is required to be approved by the Shareholders at the next Annual General Meeting of the Company. Mr. Kallol Kundu will hold office as a Director up to the date up to which Mr. S.N. Sridhar would have held office, had he not vacated his office as Director. The Directors recommend appointment of Mr. Kallol Kundu as a regular Director on the Board, liable to retire by rotation.

Mr. T.K. Sibal (DIN: 00038992) will retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment. The Directors recommend re-appointment of Mr. T.K. Sibal as Director on the Board, liable to retire by rotation.

BOARD MEETING

During the year, the Company held four Board Meetings on 23rd April 2021, 23rd July 2021, 26th October 2021 and 1st February 2022. The attendance of the Directors is as under:

Name of the Director	No. of Meetings attended
Mr. Anil Kumar Khachi##	2
Mr. Prabodh Saxena	4
Mr. Devesh Kumar#	1
Mr. Arjun Singh Oberoi	4

Mr. Vikramjit Singh Oberoi	4
Mr. T.K. Sibal	4
Mr. S.N. Sridhar@	2
Mr. Kallol Kundu*	2
Mr. Ram Subhag Singh*	2
Mr. Subhasish Panda*	1

**appointed as a Director with effect from 26th October 2021 and ceased to be the Director w.e.f. 29th April 2022*
 # ceased to be a Director with effect from 22nd July 2021 and again appointed as director w.e.f. 29th April 2022
ceased to be a Director with effect from 26th October 2021
@ ceased to be a Director with effect from 1st September 2021

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 and as such requirement of holding at least one meeting of the Independent Directors in a year pursuant to Schedule V of the Act is not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

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

The Annual Report with details on Corporate Social Responsibility activities for the Financial Year 2021-22 is attached as Annexure –I and forms part of this report.

DIRECTORS APPOINTMENT AND REMUNERATION POLICY

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

BOARD EVALUATION

The Company has put in place a policy and process for evaluation of the Board of Directors, Individual Directors and Committees etc. M/s Excellence Enablers Private Limited has conducted the evaluation of the Board, Committees and Individual Directors. The Board Evaluation Report for the Financial Year 2021-22 submitted by M/s Excellence Enablers Private Limited has been taken on record by the Board.

RISK MANAGEMENT

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

ENERGY CONSERVATION MEASURES

Focussed Energy Conservation efforts continued during the year. Action taken during the year include installation of Heat Pump for swimming pool heating and Installation of Electric heater for Jacuzzi water heating so as to reduce consumption of diesel. Energy efficient LED lamps were installed in Back of the House areas and motion sensor to control lighting operation were also installed.

Furthermore, conservation measures in form of tight operational control of Kitchen and Laundry equipment. Major plant and machinery like Elevators, Chillers, boilers, ventilation equipment, etc. were operated with adaptive control in relation to occupancy and ambient weather conditions.

Some of the action planned for coming year are replacement of remaining fluorescent tube lights & incandescent lamps with energy efficient LED lights, installation of water flow optimisers & Heat pumps for domestic water heating.

With various energy conservation measures taken in FY 2021-22, we were able to reduce our overall absolute energy consumption by about 4.5% in comparison to FY 2019-20. These energy savings have resulted in reduction of our carbon dioxide emissions by about 58 metric tonnes in comparison to FY 2019-20.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings during the year amounted to Rs 37.62 Million as compared to Rs. 24.20 Million in the previous year. The outflow of foreign exchange during the year was Rs. 6.58 Million as compared to Rs. 5.13 Million in the previous year.

SECRETARIAL STANDARDS

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

AUDITORS

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

In accordance with Section 139 of the Act which provides for rotation of Auditors, the Board at its Meeting held on 29th April 2022, have unanimously recommended to the Shareholders appointment of M/s. Deloitte, Haskins & Sells LLP, Chartered Accountants, (FRN 117366 W/W 100018) ("Deloitte") as the Statutory Auditors of the Company to hold office for another term of 5 (five) consecutive years from the conclusion of the 27th Annual General Meeting scheduled to be held in the month of June 2022 till the conclusion of the 32nd Annual General Meeting to be held in the year 2027.

Deloitte have given a written consent to the Company for re-appointment as Auditors. They have also given a certificate that they satisfy the criteria prescribed in Section 141 of the Act and the appointment, if made, shall be in accordance with the conditions laid down under the Act and Rules.

AUDITOR'S REPORT

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

COST RECORDS

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

SIGNIFICANT AND MATERIAL ORDERS, IF ANY

During the year, there were no significant or 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, no complaint of sexual harassment at the work place (Wildflower Hall) were received. The Company has complied with the provisions relating to the constitution of the 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 at arm's length. There are no material contracts, arrangements or transactions entered into by the Company with its Related Parties, required to be reported in the prescribed form in accordance with Section 188 of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014. The Related Party Transactions entered during the year are given in Note no 35 of the Financial Statement.

INTERNAL FINANCIAL CONTROLS

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

ANNUAL RETURN

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

LOANS, GUARANTEES OR INVESTMENTS

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

DEPOSITS

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

SECRETARIAL AUDIT

In accordance with the listing regulations applicable to the holding company, the Company is recognised as an "Unlisted Material Subsidiary Company" of EIH Limited. Therefore, 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 require the appointment of an Internal Auditor under the relevant provisions of the Act. However, the Chief Internal Auditor of the holding Company, EIH Limited, also conducts internal audit(s) of the records of the Company and his report is periodically placed before the Board.

The requirement of 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 is not applicable to the Company.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

DIRECTOR/KMP REMUNERATION

The Key Managerial Personnel of the Company do not draw any remuneration from the Company. Sitting fee of Rs. 40,000 per sitting of the Board or a Committee thereof is paid to all Directors. The total sitting fee paid during the Financial Year 2021-22 was Rs. 1.20 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.

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.

For and on behalf of the Board

Place: Shimla	**Arjun Singh Oberoi**	**T.K. Sibal**
Date: 26th April 2022	***Managing Director***	***Director***

ANNEXURE –I

1. Brief outline on CSR Policy of the Company

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

The Board of Directors at the Board meeting held on 23rd April 2021, on the recommendation of the CSR Committee, approved a CSR spend of Rs. 44,03,486 for the Financial Year 2021-22, being 2% of average net profit of the Company in the last three Financial Years. The amount was spent on the following activities:

a) Skill Development through vocational training of students at the School for Hearing and Visually Impaired, Dhalli, Mashobra, Shimla;
b) Operation, Repair and Maintenance work at the School for Hearing and Visually Impaired, Dhalli, Mashobra, Shimla and
c) Work done at the Model Children Home, Arki, Mashobra, Shimla (Home for the blind);
d) Development of relaxing facilities for people visiting the SEOG water catchment sanctuary.

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

2. Composition of the CSR Committee

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

* ceased to be a member w.e.f 22nd July 2021
@appointed as member w.e.f 26th October 2021

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

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

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

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

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

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

6. Average Net Profit of the company as per Section 135(5): **Rs. 22,01,74,307**

7. (a) Two percent of average net profit of the company as per Section 135(5): **Rs. 44,03,486**

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. **44,03,486**

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

Total Amount Spent for the Financial Year (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		**Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
34,02,421	**NIL**	**NA**	**PM CARES Fund**	**10,01,065**	

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Project duration**	**Amount allocated for the project (in Rs.)**	**Amount spent in the current financial Year (in Rs.)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration number**
				Not Applicable								

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Amount spent for the project (in Rs.)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
1	Skill Development (vocational training) at the School for the Hearing and visually impaired at Village Dhalli, Mashobra, Shimla	(ii)- Promoting Education including special education etc.	Yes	H.P	Shimla	1,868,533	Yes	NA	
2	Operational expenditure on the vocational training at the School for the Hearing and visually impaired at Village Dhalli, Mashobra, Shimla	(ii)-Promoting Education including special education etc.	Yes	H.P	Shimla	3,60,881	Yes	NA	
3	Work at the Model Children Home, Arki, Mashobra (Home for the blind.)	(ii)-Promoting Education including special education etc.	Yes	H.P.	Shimla	9,12,007	Yes	NA	
4	Development of facilities in the SEOG water sanctuary	(iv)- ensuring environment sustainability, ecological balance	No	H.P.	Kangra	2,61,000	Yes	NA	
						34,02,421			

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

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 44,03,486**

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

S. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	**Rs.22,01,74,307**
(ii)	Total amount spent for the Financial Year	**44,03,486**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**Nil**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**Nil**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**Nil**

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

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

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

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

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

(a) Date of creation or acquisition of the capital asset(s): **N.A.**
(b) Amount of CSR spent for creation or acquisition of capital asset: **N.A.**
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N.A.**
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N.A.**

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

The Company has fully spent the two percent of the average net profit as per Section 135(5) in the Financial Year 2021-22.

For and on behalf of the Board

Place: Shimla
Dated: 29th April 2022

Arjun Singh Oberoi
Managing Director

T.K. Sibal
Director

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The Board of Directors at the Board meeting held on 23rd April 2021, on the recommendation of the CSR Committee, approved a CSR spend of Rs. 44,03,486 for the Financial Year 2021-22, being 2% of average net profit of the Company in the last three Financial Years. The amount was spent on the following activities:

a) Skill Development through vocational training of students at the School for Hearing and Visually Impaired, Dhalli, Mashobra, Shimla;
b) Operation, Repair and Maintenance work at the School for Hearing and Visually Impaired, Dhalli, Mashobra, Shimla and
c) Work done at the Model Children Home, Arki, Mashobra, Shimla (Home for the blind);
d) Development of relaxing facilities for people visiting the SEOG water catchment sanctuary.

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

2. Composition of the CSR Committee

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

* ceased to be a member w.e.f 22nd July 2021
@appointed as member w.e.f 26th October 2021

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

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

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

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

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

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

6. Average Net Profit of the company as per Section 135(5): **Rs. 22,01,74,307**

7. (a) Two percent of average net profit of the company as per Section 135(5): **Rs. 44,03,486**

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

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

   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. **44,03,486**

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
34,02,421	**NIL**	**NA**	**PM CARES Fund**	**10,01,065**	

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Project duration**	**Amount allocated for the project (in Rs.)**	**Amount spent in the current financial Year (in Rs.)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration number**
				Not Applicable								

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Amount spent for the project (in Rs.)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
1	Skill Development (vocational training) at the School for the Hearing and visually impaired at Village Dhalli, Mashobra, Shimla	(ii)- Promoting Education including special education etc.	Yes	H.P	Shimla	1,868,533	Yes	NA	
2	Operational expenditure on the vocational training at the School for the Hearing and visually impaired at Village Dhalli, Mashobra, Shimla	(ii)-Promoting Education including special education etc.	Yes	H.P	Shimla	3,60,881	Yes	NA	
3	Work at the Model Children Home, Arki, Mashobra (Home for the blind.)	(ii)-Promoting Education including special education etc.	Yes	H.P.	Shimla	9,12,007	Yes	NA	
4	Development of facilities in the SEOG water sanctuary	(iv)- ensuring environment sustainability, ecological balance	No	H.P.	Kangra	2,61,000	Yes	NA	
						34,02,421			

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

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 44,03,486**

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

S. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	**Rs.22,01,74,307**
(ii)	Total amount spent for the Financial Year	**44,03,486**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**Nil**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**Nil**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**Nil**

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

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

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

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

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

(a) Date of creation or acquisition of the capital asset(s): **N.A.**
(b) Amount of CSR spent for creation or acquisition of capital asset: **N.A.**
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N.A.**
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N.A.**

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

The Company has fully spent the two percent of the average net profit as per Section 135(5) in the Financial Year 2021-22.

For and on behalf of the Board

Place: Shimla
Dated: 29th April 2022

Arjun Singh Oberoi
Managing Director

T.K. Sibal
Director

MASHOBRA RESORT LIMITED

Details of Remuneration of Managerial Personnel pursuant to Rule 5(2) of Companies' Appointment and Managerial Personnel Rules, 2014
Forming part of the Directors' Report for the Year ended 31st March, 2022
Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(2)
of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

List of the Top Ten Employees of the Company, in terms of Remuneration drawn during the the Financial Year 2021-22

S.No.		Name of the Employee	Age (Yrs)	Designation/Nature of Duties	Nature of Empolyement	Gross Remuneration Rs.	Qualification(s)	Experience in Years	Date of Commencement of Employment	Particulars of previous employment
1	Mr	Vijendra Jamwal	43	Executive Housekeeper	Permanent	26,27,635	Hotel Management from Oberoi Centre for Learning and Development (OCLD)	21	01-05-2019	EIH Associated Hotels Ltd
2	Mr	Gaurav Issar	45	General Manager	Permanent	24,83,013	Diploma in Hotel Management	22	01-06-2019	EIH Associated Hotels Ltd
3	Mr	Nishant Patway	34	Chief Accountant	Permanent	22,62,707	Chartered Accountant	9	16-08-2019	EIH Ltd
4	Mr	Rajat Jyoti Mukherjee	46	Executive Chef	Permanent	21,87,353	Diploma in Hotel Management from IHMCT & Applied Nutrition, Chennai	19	15-09-2020	EIH Ltd
5	Mr	Prashant Trivedi	37	Food & Beverage Service Manager	Permanent	19,57,436	Hotel Management from Oberoi Centre for Learning and Development (OCLD)	15	01-08-2018	EIH Ltd
6	Mr	Manjeet Rana	42	Assistnt Chief Engineer	Permanent	15,39,988	Diploma in Electrical Engineering from Dharamshala	16	01-09-2016	Golden Jubilee Hotels Pvt Ltd
7	Ms	Vishal Virmani	45	General Manager	Permanent	13,70,409	Bachelors degree in Hotel Management from Institute of Hotel Management, Bhopal	18	15-08-2020	EIH Associated Hotels Ltd
8	Mr	Sanchit Bhatia	33	Front Office Manager	Permanent	11,97,319	Bachelors degree in Hotel Management from FHRAI , Greater Noida	6	06-07-2015	EIH Ltd
9	Mr	Pankaj Sharma	40	Deputy Manager - Information Technology	Permanent	9,80,932	Bachelors in Arts, Himachal Pradesh University	5	02-05-2016	Leela Group Of hotels
10	Mr	Pratap Sharma	44	Deputy manager Human Resources	Permanent	7,29,865	Master of Business Administration from IMS, Himachal Pradesh University	16	08-09-2006	First Employement

For and on behalf of the Board

Place: Shimla
Date: 29th April 2022

Arjun Singh Oberoi
Managing Director

T.K. Sibal
Director

SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2022

[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, 2022 ("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, 2022, 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 ("the Board") is duly constituted in accordance with the provisions of the Act. The changes in the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

2. The Board in its Meeting held on October 26, 2021 took note of the resignation letters Mr. Devesh Kumar and Mr. Anil Kumar Khachi as Directors effective July 22, 2021 and October 21, 2021 respectively and appointed Mr. Subhasish Panda and Mr. Ram Subhag Singh as Additional Directors on the Board in their place.

3. In its meeting held on October 26, 2021, the Board noted the resignation of Mr. S. N. Sridhar as Director and Company Secretary effective September 1, 2021 and appointed Mr. Kallol Kundu as a Director appointed in casual vacancy caused due to his resignation.

   In the same meeting, the Board also appointed Mr. Lalit Kumar Sharma as Company Secretary effective October 26, 2021.

4. 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.

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

6. In accordance with the guidelines prescribed by the Ministry of Corporate Affairs (the "MCA") for holding general meeting/ conducting postal ballot through e-voting vide General Circular Nos. 14/2020 dated April 08, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 22/2020 dated June 15, 2020; 33/2020 dated September 28, 2020; 39/2020 dated December 31, 2020; 02/2021 dated January 13, 2021 (the "Relevant Circulars") the Company conducted its Annual General Meeting on June 25, 2021 through video conferencing.

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

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

For the purpose of examining adequacy of compliances with other applicable laws including industry/sector specific, under both Central and State legislations, reliance has been placed on the quarterly Compliance Certificate and reporting by Mashobra Resorts Ltd. to the Company Secretary of the Company and the Compliance Certificate duly signed by the Company Secretary, as placed before the meeting of the Board of Directors of the Company as well as of 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: S2010DE695800
Peer Review Certificate Number: 1325/2021

Date: April 29, 2022
Place: New Delhi

UDIN: F001551D000235169

This report is to be read with our letter of even date which is annexed 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, 2022 is to be read along with this letter.

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

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

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

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

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

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

For **Jus & Associates**
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: S2010DE695800
Peer Review Certificate Number: 1325/2021

Date: April 29, 2022
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, 2022, 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, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.

   iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "ANNEXURE B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN:22093474AIDSWE1664)

Place: Gurugram
Date: April 29, 2022

"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, 2022 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, 2022, 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:22093474AIDSWE1664)

Place: Gurugram
Date: April 29, 2022

"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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i)(a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(i)(b) The property, plant and equipment, capital work-in-progress and right-of-use assets 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 at reasonable intervals and no material discrepancies were noticed on such verification.

(i)(c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the conveyance deed provided to us, we report that, the title deed of such immovable properties are not held in the name of the Company as at the balance sheet date, as mentioned below:

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held*	Reason for not being held in name of Company*
	Gross carrying value	Carrying value in the financial statements				
Freehold land of Wildflower Hall located at Shimla admeasuring 77,471 sq. mtrs.	74.41	74.41	Mashobra Resort Private Limited	No	From February 6, 1997	The title deed is in the name of Mashobra Resort Private Limited, erstwhile name of the Company which was changed to Mashobra Resort Limited pursuant to Certificate of incorporation issued by Government of India-Ministry of Corporate Affairs dated July 1, 1997.
Building of Wildflower Hall located at Shimla admeasuring 18,793.14 sq. ft.	401.68*	360.06*				

* Net of additions/deletions from the date of execution of the conveyance deed, upto the year ended March 31, 2022.

(i)(d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.

(i)(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)(a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(ii)(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

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

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

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

(vii)(a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a slight delay in a few cases in respect of Provident Fund.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess, and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(vii)(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount unpaid (Rs. Million)
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
Income Tax Authority	Income Tax	Commissioner (Appeal)	2016-17^	0.18

^Period represents assessment year

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(ix)(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(ix)(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(ix)(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x)(a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

(xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi)(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(xi)(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

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

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

(xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv)(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group has more than one CIC as part of the group. There are 3 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and

Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to section 135(5) of the Act, has not elapsed till the date of our report.

(xx)(b) In respect of ongoing projects, there is no unspent Corporate Social Responsibility (CSR) amount for the year requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx)(b) of the Order is not applicable for the year.

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN:22093474AIDSWE1664)

Place: Gurugram
Date: April 29, 2022

MASHOBRA RESORT LIMITED
Balance Sheet as at March 31, 2022

	Note	As at March 31, 2022	As at March 31, 2021
			Rupees Million
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	501.76	485.38
(b) Right-of-use assets	4	0.09	0.25
(c) Capital work-in-progress	5(i)	0.47	2.81
(d) Intangible assets	5(ii)	0.15	0.23
(e) Financial assets			
Other financial assets	6(i)	1.22	1.22
(h) Tax assets (net)	8	14.66	10.89
(i) Other non-current assets	9	1.80	1.60
Total non-current assets		**520.15**	**502.38**
Current assets			
(a) Inventories	10	31.37	25.02
(b) Financial assets			
(i) Trade receivables	11	18.51	21.58
(ii) Cash and cash equivalents	12	51.23	35.98
(iii) Other bank balances	13	1,878.71	1,579.17
(iv) Other financial assets	6(ii)	3.65	2.99
(c) Other current assets	14	14.04	8.74
Total current assets		**1,997.51**	**1,673.48**
Total Assets		**2,517.66**	**2,175.86**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	330.00	330.00
(b) Other equity	16	701.98	417.32
Total Equity		**1,031.98**	**747.32**
Advance towards equity	17	**1,361.93**	**1,361.93**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	5.00	5.00
(ii) Lease liabilities	38	-	0.11
(b) Provisions	19	3.13	3.02
(c) Deferred tax liabilities (net)	7	54.66	6.35
Total non-current liabilities		**62.79**	**14.48**
Current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	38	0.11	0.20
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	33	2.65	0.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	34	37.64	30.01
(iii) Other financial liabilities	20	1.74	0.09
(b) Provisions	19	0.14	0.01
(c) Other current liabilities	21	18.68	21.47
Total current liabilities		**60.96**	**52.13**
Total Equity and Liabilities		**2,517.66**	**2,175.86**

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
29 April, 2022

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

Tej Kumar Sibal
Director
(DIN No: 00038992)

Kallol Kundu
Director and Chief Financial Officer
(DIN No: 09377233)

Lalit Sharma
Company Secretary

New Delhi
29 April, 2022

MASHOBRA RESORT LIMITED
Statement of Profit and Loss for the Year ended March 31, 2022

Rupees Million

	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
Income			
Revenue from operations	22	661.17	299.50
Other income	23	77.38	91.25
Total income		**738.55**	**390.75**
Expenses			
Consumption of provisions, wines & others	24	41.77	19.78
Employee benefits expense	25	71.34	57.01
Finance costs	26	1.03	0.99
Depreciation and amortisation expense	27	14.16	14.20
Other expenses	28	206.84	116.50
Total expenses		**335.14**	**208.48**
Profit before tax		**403.41**	**182.27**
Tax expense			
Income tax	29	117.91	53.19
Deferred tax	29	0.88	1.29
Profit for the year		**284.62**	**127.79**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		0.05	1.57
Tax relating to this item		(0.01)	(0.46)
Total other comprehensive income/(loss) for the year, net of tax		**0.04**	**1.11**
Total comprehensive income for the year		**284.66**	**128.90**
Earnings per equity share (in Rs.) - Face Value Rs. 10	40		
(1) Basic		**8.62**	3.87
(2) Diluted		**8.62**	3.87

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
29 April, 2022

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

Tej Kumar Sibal
Director
(DIN No: 00038992)

Kallol Kundu
Director and Chief Financial Officer
(DIN No: 09377233)

Lalit Sharma
Company Secretary

New Delhi
29 April, 2022

MASHOBRA RESORT LIMITED

Statement of Cash Flows for the Year ended March 31, 2022

	Year Ended March 31, 2022	Year Ended March 31, 2021
		Rupees Million
Cash flows from operating activities		
Profit before tax	**403.41**	**182.27**
Adjustments for		
Depreciation and amortisation expense	14.16	14.20
Loss on sale / discard of property, plant and equipment (net)	-	0.47
Effect of exchange rate difference	0.01	
Interest income on financial assets carried at amortised cost	(75.98)	(90.71)
Provisions and liabilities no longer required, written back	(0.09)	(0.19)
Bad debts and other current assets written off	0.15	0.14
Finance costs	1.03	0.99
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	2.92	4.63
(Increase)/decrease in inventories	(6.35)	1.74
(Increase)/decrease in other financial assets	(0.02)	(0.03)
(Increase)/decrease in other non-current assets	0.13	2.33
(Increase)/decrease in other current assets	(5.30)	5.31
Increase/(decrease) in trade payables	9.93	(13.69)
Increase/(decrease) in employee benefit obligations	0.28	0.53
Increase/(decrease) in other financial liabilities	1.00	-
Increase/(decrease) in other current liabilities	(2.80)	12.38
Cash generated from operations	**342.48**	**120.37**
Income taxes paid (net of refund)	(74.26)	(40.56)
Net cash inflow from operating activities	**268.22**	**79.81**
Cash flows from investing activities		
Payments for property, plant and equipment	(27.62)	(2.87)
Proceeds from sale of property, plant and equipment	-	0.08
Other bank balances - deposits placed	(299.55)	(154.19)
Interest received	75.34	105.59
Net cash outflow used in investing activities	**(251.83)**	**(51.39)**
Cash flows from financing activities		
Repayment of lease liabilities	(0.20)	(0.21)
Interest paid	(0.94)	(0.99)
Net cash outflow used in financing activities	**(1.14)**	**(1.20)**
Net increase/(decrease) in cash and cash equivalents	15.25	27.22
Cash and cash equivalents at the beginning of the year	35.98	8.76
Cash and cash equivalents at the end of the year	**51.23**	**35.98**

Note :

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

Alka Chadha
Partner
(Membership No. 93474)

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

Tej Kumar Sibal
Director
(DIN No: 00038992)

Kallol Kundu
Director and Chief Financial Officer
(DIN No: 09377233)

Lalit Sharma
Company Secretary

Gurugram
29 April, 2022

New Delhi
29 April, 2022

MASHOBRA RESORT LIMITED
Statement of changes in equity for the Year ended March 31, 2022

Rupees Million

A. Equity share capital

Balance as at April 1, 2020	**330.00**
Add/(less): Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	**330.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**330.00**
Add/(less): Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	**330.00**
Any Other change in equity share capital during the year	-
Balance as at March 31, 2022	**330.00**

B. Other equity

	Retained earnings (Surplus / (Deficit))
Balance as at April 1, 2020	288.42
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2020	**288.42**
Profit for the year	127.79
Other comprehensive income/(loss) for the year, net of tax	1.11
Total comprehensive income for the year	**128.90**
Balance as at March 31, 2021	**417.32**
Balance as at April 1, 2021	**417.32**
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2021	**417.32**
Profit for the year	284.62
Other comprehensive income/(loss) for the year, net of tax	0.04
Total comprehensive income for the year	**284.66**
Balance as at March 31, 2022	**701.98**

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)

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

Tej Kumar Sibal
Director
(DIN No: 00038992)

Kallol Kundu
Director and Chief Financial Officer
(DIN No: 09377233)

Lalit Sharma
Company Secretary

Gurugram
29 April, 2022

New Delhi
29 April, 2022

MASHOBRA RESORT LIMITED

General Information

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

Note 1: Significant accounting policies

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

a) Basis of preparation

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

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

(ii) Historical cost convention

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

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

(iii) Use of estimates

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

b) Revenue recognition

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

(ii) Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.

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

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

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

Timing of revenue recognition from major business activities

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

c) Foreign currency translation

(i) Presentation Currency
The Financial Statements are presented in INR which is the Functional Currency of the Company.

(ii) Transactions and balances

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

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.

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 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.

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.

MASHOBRA RESORT LIMITED
Notes to the Financial Statements - -Contd.

o) Trade and other payables

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

p) Borrowing costs

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

q) Provisions, contingent liabilities and contingent assets

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

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

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

r) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations –

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

Leave encashment on termination of service –

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

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

Provident Fund –

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

s) Dividends

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

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

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

(ii) Diluted earnings per share

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

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

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

u) Government grants / Incentives

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

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

v) Rounding of amounts

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

2
Recent pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 notifies new standard or amendments to the standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. This amendment comes into effect from April 1, 2022.

The Company does not expect the amendment to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment comes into effect from April 1, 2022.

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Financial Instruments

The amendment specifies that for the purpose of paragraph 3.3.2 of IndAS 109, the terms shall be considered to be substantially different if the discounted present value of the cash flows under the new terms of a debt instrument, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. This amendment comes into effect from April 1, 2022.

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

3
Significant estimates and judgements

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

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

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

(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, 2022 the balance useful life of the hotel building of the Company was 53 years. The carrying amount of the hotel building is being depreciated over its residual life. Based on management evaluation performed at each reporting period, there has been no change in the earlier assessed useful life.

(ii) Significant and material order

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

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

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

4 (i)
Property, plant and equipment

Rupees Million

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2022
	Balance as at April 1, 2021	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2022	As at April 1, 2021	For the year	Less: Sales/ Adjustments	As at March 31, 2022	
Freehold land (refer note 4(iii))	74.41	-	-	74.41	-	-	-	-	**74.41**
Buildings	382.66	19.02	-	401.68	35.53	6.09	-	41.62	**360.06**
Plant and equipment	91.82	9.63	-	101.45	44.66	4.10	-	48.76	**52.69**
Furniture and fittings	7.16	1.65	-	8.81	3.37	0.74	-	4.11	**4.70**
Vehicles	15.44	-	-	15.44	4.33	2.27	-	6.60	**8.84**
Office equipment	0.16	-	-	0.16	0.01	0.03	-	0.04	**0.12**
Computers	6.27	-	-	6.27	4.64	0.69	-	5.33	**0.94**
Total	**577.92**	**30.30**	**-**	**608.22**	**92.54**	**13.92**	**-**	**106.46**	**501.76**

Right-of-use assets

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2022
	Balance as at April 1, 2021	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2022	As at April 1, 2021	For the year	Less: Sales/ Adjustments	As at March 31, 2022	
Vehicles	1.68	-	-	**1.68**	**1.43**	0.16	-	1.59	0.09

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2021
	Balance as at April 1, 2020	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2021	As at April 1, 2020	For the year	Less: Sales/ Adjustments	As at March 31, 2021	
Freehold land (refer note 4(iii))	74.41	-	-	74.41	-	-	-	-	**74.41**
Buildings	382.43	0.25	0.02	382.66	29.56	5.97	-	35.53	**347.13**
Plant and equipment	91.25	1.06	0.49	91.82	40.67	3.99	-	44.66	**47.16**
Furniture and fittings	7.16	-	-	7.16	2.61	0.76	-	3.37	**3.79**
Vehicles	15.44	-	-	15.44	2.06	2.27	-	4.33	**11.11**
Office equipment	-	0.16	-	0.16	-	0.01	-	0.01	**0.15**
Computers	6.31	-	0.04	6.27	3.78	0.86	-	4.64	**1.63**
Total	**577.00**	**1.47**	**0.55**	**577.92**	**78.68**	**13.86**	**-**	**92.54**	**485.38**

Right-of-use assets

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2021
	Balance as at April 1, 2020	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2021	As at April 1, 2020	For the year	Less: Sales/ Adjustments	As at March 31, 2021	
Vehicles	1.68	-	-	1.68	1.23	0.20	-	1.43	**0.25**

Note: The Company had not revalued its property, plant and equipment and right-of use assets during the year ended March 31, 2022 and March 31, 2021.

4 (ii)
Contractual Obligations
Refer to Note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4 (iii)
Title deeds of immovable properties not held in the name of the Company

Relevant line item in balance sheet	Description of item of property	Gross carrying value as at 31 March, 2022 Rupees Million	Carrying value as at 31 March, 2022 Rupees Million	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in name of Company
Property, plant and equipment	Freehold land of Wildflower Hall located at Shimla admeasuring 77,471 sq. mtrs	74.41	74.41	Mashobra Resort Private Limited	No	6 February, 1997	The conveyance deed was signed on the 6th of February, 1997 when the name of the company was Mashobra Resort Private Limited. Later the word private was deleted and the company was converted into a public company under section 43-A(1) of the Companies Act, 1956 w.e.f 22 March, 1997 vide order dated 01 July, 1997.
	Buildings	401.68	360.06		No		The completion certificate for 3 floors (2nd, 3rd & 4th floors) of the main hotel building has not been received by the Company. The matter was referred by High Court to an Arbitral Tribunal of single Arbitrator. The Arbitration award was challenged by the Company and EIH Limited before the Hon'ble High Court of Himanchal Pradesh in the year 2005. The Company continues to keep 30% of the room revenue in fixed deposit and current account with nationalized bank in respect of 57 room out of 85 rooms being operated as per the direction of Hon'ble High Court of Himanchal Pradesh. By order dated 25th February 2016 the Hon'ble High Court of Himanchal Pradesh decided not to interfere with the order of Arbitrator. The Company and EIH Limited, preferred an appeal before the division bench of the Hon'ble High Court of Himanchal Pradesh. By an order dated 27th June 2016, the division bench has directed the parties to maintained the status quo till the matter is finally heard and disposed of. The matter is presently sub judice before the division bench of the Hon'ble High Court of Himanchal Pradesh.

Relative here means relative as defined in the Companies Act, 2013
* Promoter here means promoter as defined in the Companies Act, 2013

MASHOBRA RESORT LIMITED

Notes to the Financial Statements -- Contd.

5(i)

Capital Work In Progress*

As at March 31, 2022	Amount in CWIP for a period of				Rupees Million
Particulars	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	0.03	-	-	-	0.03
Projects temporarily suspended**	-	-	-	0.44	0.44
Total CWIP	**0.03**	**-**	**-**	**0.44**	**0.47**

As at March 31, 2021	Amount in CWIP for a period of				
Particulars	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	0.24	2.13	-	-	2.37
Projects temporarily suspended**	-	-	-	0.44	0.44
Total CWIP	**0.24**	**2.13**	**-**	**0.44**	**2.81**

*Includes assets/ projects ("Projects") forming part of capital work in progress

Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

Rupees Million

As at March 31, 2022	To be completed in				
Particulars	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects temporarily suspended**					
Bathtubs	-	-	-	0.44	**0.44**
Total of projects temporarily suspended	**-**	**-**	**-**	**0.44**	**0.44**

As at March 31, 2021	To be completed in				
Particulars	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects temporarily suspended**					
Bathtubs	-	-	-	0.44	**0.44**
Total of projects temporarily suspended	**-**	**-**	**-**	**0.44**	**0.44**

** Comprises assets where original plans for capitalisation were temporarily suspended

MASHOBRA RESORT LIMITED

Notes to the Financial Statements -- Contd.

5(ii)

Intangible assets

Rupees Million

	Gross carrying amount				Accumulated Amortisation				Carrying value as at March 31, 2022
	Balance as at April 1, 2021	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2022	As at April 1, 2021	For the year	Less: Sales/ Adjustments	As at March 31, 2022	
Computer Software	0.97	-	-	0.97	0.74	0.08	-	0.82	**0.15**
Total	**0.97**	**-**	**-**	**0.97**	**0.74**	**0.08**	**-**	**0.82**	**0.15**

	Gross carrying amount				Accumulated Amortisation				Carrying value as at March 31, 2021
	Balance as at April 1, 2020	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2021	As at April 1, 2020	For the year	Less: Sales/ Adjustments	As at March 31, 2021	
Computer Software	0.97	-	-	0.97	0.60	0.14	-	0.74	**0.23**
Total	**0.97**	**-**	**-**	**0.97**	**0.60**	**0.14**	**-**	**0.74**	**0.23**

Notes:

(i) Intangible assets are amortised on straight line basis over their estimated useful lives, which is generally between 3 to 5 years.

(ii) The Company had not revalued its intangible assets during the year ending 31st March, 2022 and 31st March, 2021.

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	As at March 31, 2022	As at March 31, 2021
		Rupees Million
6		
Other financial assets		
(i) Non-current financial assets		
Security deposits	1.22	1.22
Total other non-current financial assets	**1.22**	**1.22**
(ii) Current financial assets		
Interest accrued on deposits	3.47	2.83
Security deposits	0.16	0.12
Other receivables	0.02	0.04
Total other current financial assets	**3.65**	**2.99**
7		
Deferred tax assets/ (liabilities) (net)		
Deferred tax assets on account of :		
Accrued expenses deductible on payment	1.76	1.83
MAT credit entitlement	31.35	78.77
Other temporary differences	0.02	0.02
Total deferred tax assets (A)	**33.13**	**80.62**
Deferred tax liabilities on account of :		
Property, plant and equipment, right-of-use assets and intangible assets	87.79	86.97
Total deferred tax liabilities (B)	**87.79**	**86.97**
Deferred tax assets/(liabilities) (net) (A-B)	**(54.66)**	**(6.35)**

Movement in deferred tax assets

Rupees Million

	Accrued expenses deductible on payment	MAT credit entitlement	Other temporary differences	Total
As at April 1, 2020	**2.40**	**99.82**	**0.10**	**102.32**
(Charged)/Credited:				
- to profit and loss	(0.11)	(21.05)	(0.08)	(21.24)
- to other comprehensive income	(0.46)	-	-	(0.46)
As at March 31, 2021	**1.83**	**78.77**	**0.02**	**80.62**
(Charged)/Credited:				
- to profit and loss	(0.07)	(47.42)	-	(47.49)
- to other comprehensive income	-	-	-	-
As at March 31, 2022	**1.76**	**31.35**	**0.02**	**33.13**

Movement in deferred tax liabilities

Rupees Million

	Property, plant and equipment, right-of-use assets and intangible assets
As at April 1, 2020	**85.78**
Charged/(Credited):	
- to profit and loss	1.19
As at March 31, 2021	**86.97**
Charged/(Credited):	
- to profit and loss	0.82
As at March 31, 2022	**87.79**

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	As at March 31, 2022	As at March 31, 2021
		Rupees Million
8		
Non-current tax assets (net)		
Opening balance	10.89	2.47
Less: Tax payable for the year	(117.91)	(53.19)
Add: MAT credit utilised	47.42	21.05
Add: Taxes paid	74.26	40.56
Total non-current tax assets (net)	**14.66**	**10.89**
9		
Other non-current assets		
Capital advances	1.78	1.45
Prepaid expenses	0.02	0.15
Total other non-current assets	**1.80**	**1.60**
10		
Inventories *		
Provisions, wines and others	13.19	9.67
Stores and operating supplies	18.16	15.35
Goods-in-transit (Operating supplies)	0.02	-
Total inventories	**31.37**	**25.02**

* 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. 41.77 million (for the year ended March 31, 2021: Rs. 19.78 million).

	As at March 31, 2022	As at March 31, 2021
11		
Trade receivables *		
Unsecured, considered good		
Receivables from related parties	0.06	0.64
Receivable from other than related parties	18.45	20.94
Total trade receivables	**18.51**	**21.58**

* Read with note 30

As at March 31, 2022 — Rupees Million

Particulars	Current but not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed trade receivables – considered good	7.45	7.37	3.69	-	-	-	18.51
(b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Subtotal	**7.45**	**7.37**	**3.69**	-	-	-	**18.51**
Unbilled dues	-	-	-	-	-	-	-
Total	**7.45**	**7.37**	**3.69**	-	-	-	**18.51**

As at March 31, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed trade receivables – considered good	16.66	4.15	0.20	0.57	-	-	21.58
(b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Subtotal	**16.66**	**4.15**	**0.20**	**0.57**	-	-	**21.58**
Unbilled dues	-	-	-	-	-	-	-
Total	**16.66**	**4.15**	**0.20**	**0.57**	-	-	**21.58**

Note: There are no disputed trade receivables.

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	As at March 31, 2022	As at March 31, 2021
		Rupees Million
12		
Cash and cash equivalents		
Balances with banks		
- Current accounts	50.62	31.42
Cash in hand	0.61	0.36
Fixed deposits with original maturity of less than months	-	4.20
Total cash and cash equivalents	**51.23**	**35.98**
13		
Other bank balances		
Current account *	0.02	0.02
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date *	1,104.06	970.20
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date	774.63	608.95
Total other bank balances	**1,878.71**	**1,579.17**

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

14		
Other current assets		
Prepaid expenses	1.42	1.10
Services exports incentive	1.77	2.72
Other advances	10.85	4.92
Total other current assets	**14.04**	**8.74**

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

15
Equity share capital

	As at March 31, 2022	As at March 31, 2021
	Rupees Million	
AUTHORISED		
50,000,000 Equity Shares of Rs. 10 each (2021 - 50,000,000)	500.00	500.00
	500.00	500.00
ISSUED, SUBSCRIBED & FULLY PAID		
33,000,000 Equity Shares of Rs. 10 each (2021 - 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, 2020	33,000,000	330.00
Change during the year	-	-
As at March 31, 2021	33,000,000	330.00
Change during the year	-	-
As at March 31, 2022	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 rank 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 :

Shareholder Name	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
EIH Limited	25,999,995	78.79%	25,999,995	78.79%
Government of Himachal Pradesh	7,000,000	21.21%	7,000,000	21.21%

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

	As at March 31, 2022	As at March 31, 2021
	Number of Shares	
EIH Limited	25,999,995	25,999,995

(v) Shareholding of promoters*

Sl. No.	Promoter Name	Number of shares as at April 1, 2021	Change during the year	Number of shares as at March 31, 2022	% of total shares	% Change during the year
1	EIH Limited	25,999,995	-	25,999,995	78.79%	-
2	Government of Himachal Pradesh	7,000,000	-	7,000,000	21.21%	-
3	Oberoi Hotels Private Limited	1	-	1	0.00%	-
4	Oberoi Holdings Private Limited	1	-	1	0.00%	-
5	Oberoi Properties Private Limited	1	-	1	0.00%	-
6	Oberoi Investments Private Limited	1	-	1	0.00%	-
7	Oberoi Plaza Private Limited	1	-	1	0.00%	-
		33,000,000	-	33,000,000	100.00%	-

Sl. No.	Promoter Name	Number of shares as at April 1, 2020	Change during the year	Number of shares as at March 31, 2021	% of total shares	% Change during the year
1	EIH Limited	25,999,995	-	25,999,995	78.79%	-
2	Government of Himachal Pradesh	7,000,000	-	7,000,000	21.21%	-
3	Oberoi Hotels Private Limited	1	-	1	0.00%	-
4	Oberoi Holdings Private Limited	1	-	1	0.00%	-
5	Oberoi Properties Private Limited	1	-	1	0.00%	-
6	Oberoi Investments Private Limited	1	-	1	0.00%	-
7	Oberoi Plaza Private Limited	1	-	1	0.00%	-
		33,000,000	-	33,000,000	100.00%	-

* Promoters here means promoter as defined in the Companies Act, 2013

	As at March 31, 2022	As at March 31, 2021
	Rupees Million	
16		
Other equity		
Reserves and Surplus		
Retained earnings *	701.98	417.32
Total other equity	**701.98**	**417.32**
*** Retained earnings**		
Opening balance	417.32	288.42
Add: Profit during the year as per Statement of Profit and Loss	284.62	127.79
Less: Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(0.04)	(1.11)
Closing balance	**701.98**	**417.32**

Nature and purpose of Reserves

Retained earnings

Retained earnings represents accumulated profits of the Company. It can be utilised in accordance with the provisions of the Companies Act, 2013.

	As at March 31, 2022	As at March 31, 2021
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 Rs. 1,361.93 Million (2021 - Rs. 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).

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

18
Non-current borrowings - at amortised cost

	Maturity Date	Terms of repayments	Coupon / Interest rate per annum	As at March 31, 2022	As at March 31, 2021
					Rupees Million
Unsecured					
Government of Himachal Pradesh	Refer note (i) below	Half-Yearly	16.50%	5.00	5.00
Total				**5.00**	**5.00**

(i) Unsecured borrowings

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

19
Provisions

Rupees Million

Employee benefit obligations	**As at March 31, 2022**			**As at March 31, 2021**		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Leave Encashment - Unfunded						
Present value of obligation	0.11	2.49	2.60	0.01	2.31	2.32
Gratuity - Unfunded						
Present value of obligation	0.03	0.64	0.67	-	0.71	0.71
Total employee benefit obligations	**0.14**	**3.13**	**3.27**	**0.01**	**3.02**	**3.03**

(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. 2.78 million (for the year ended March 31, 2021: Rs. 2.37 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, 2020	**0.73**	**-**	**0.73**	**3.32**
Current service cost	0.15	-	0.15	0.22
Interest expense/(income)	0.05	-	0.05	0.21
Total amount recognised in Statement of Profit and Loss	**0.20**	**-**	**0.20**	**0.43**
Remeasurements				
Experience (gains)/losses	(0.17)	-	(0.17)	(1.25)
(Gain)/loss from change in financial assumptions	(0.05)	-	(0.05)	(0.10)
Total amount recognised in Other Comprehensive Income	**(0.22)**	**-**	**(0.22)**	**(1.35)**
Employer contributions	-	-	-	-
Benefit payments	-	-	-	(0.08)
March 31, 2021	**0.71**	**-**	**0.71**	**2.32**
April 1, 2021	**0.71**	**-**	**0.71**	**2.32**
Current service cost	0.14	-	0.14	0.30
Interest expense/(income)	0.05	-	0.05	0.16
Total amount recognised in Statement of Profit and Loss	**0.19**	**-**	**0.19**	**0.46**
Remeasurements				
Experience (gains)/losses	0.03	-	0.03	0.07
(Gain)/loss from change in financial assumptions	(0.03)	-	(0.03)	(0.12)
Total amount recognised in Other Comprehensive Income	**(0.00)**	**-**	**(0.00)**	**(0.05)**
Employer contributions	-			-
Benefit payments	(0.23)	-	(0.23)	(0.13)
March 31, 2022	**0.67**	**-**	**0.67**	**2.60**

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2022	March 31, 2021
Discount rate	7.30%	6.95%
Salary growth rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate - upto 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:

Rupees Million

	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Gratuity						
Discount rate	1%	1%	(0.09)	(0.14)	0.11	0.18
Salary growth rate	1%	1%	0.11	0.18	(0.09)	(0.14)
Leave encashment						
Discount rate	1%	1%	(0.29)	(0.32)	0.34	0.39
Salary growth rate	1%	1%	0.35	0.39	(0.30)	(0.33)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e., projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

(vi) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

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

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

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

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

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 17.92 years (2021 - 24.22 years) and 17.4 years (2021- 16.97 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	Between 6 - 10 years	More than 10 years	Total
March 31, 2022						
Gratuity	0.03	-	0.15	0.17	2.11	2.46
Leave encashment	0.11	-	0.43	0.54	6.24	7.32
Total	**0.14**	**-**	**0.58**	**0.71**	**8.35**	**9.78**
March 31, 2021						
Gratuity	-	-	0.02	0.04	3.78	3.84
Leave encashment	0.01	0.01	0.05	0.13	7.30	7.50
Total	**0.01**	**0.01**	**0.07**	**0.17**	**11.08**	**11.34**

		Rupees Million
	As at March 31, 2022	As at March 31, 2021
20		
Other current financial liabilities		
Liability for capital expenditure	0.74	0.09
Liability towards Corporate Social Responsibility	1.00	-
Total current financial liabilities	**1.74**	**0.09**

	As at March 31, 2022	As at March 31, 2021
21		
Other current liabilities		
Advance from customers	16.64	19.03
Statutory dues	2.04	2.44
Total other current liabilities	**18.68**	**21.47**

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	Year Ended March 31, 2022	Year Ended March 31, 2021
		Rupees Million
22		
Revenue from operations		
Rooms	475.91	213.01
Food and beverage	148.42	71.10
Other services	36.84	15.39
Total revenue from operations	**661.17**	**299.50**
23		
Other income		
Interest income on financials assets carried at amortised cost :		
Bank deposits	75.98	90.71
Other gains/(losses) :		
Net foreign exchange gain	-	0.04
Provisions and liabilities no longer required, written back	0.09	0.19
Miscellaneous income	1.31	0.31
Total other income	**77.38**	**91.25**
24		
Consumption of provisions, wines & others		
Opening stock	9.84	9.84
Add : Purchases	45.12	19.78
	54.96	29.62
Less : Closing stock	13.19	9.84
Total Consumption of provisions, wines & others	**41.77**	**19.78**
25		
Employee benefits expense		
Salaries and wages	52.17	44.29
Contribution to provident fund and other funds (Refer note 19)	2.78	2.37
Gratuity (Refer note 19)	0.19	0.20
Staff welfare expenses	16.20	10.15
Total employee benefits expense	**71.34**	**57.01**

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	Year Ended March 31, 2022	Year Ended March 31, 2021
		Rupees Million
26		
Finance costs		
Interest expense	0.83	0.82
Interest on MSME (Refer note 33)	0.09	-
Interest on lease liabilities (Refer note 38)	0.11	0.17
Total finance costs	**1.03**	**0.99**
27		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	13.92	13.86
Depreciation of right-of-use assets	0.16	0.20
Amortisation of intangible assets	0.08	0.14
Total depreciation and amortisation expense	**14.16**	**14.20**
28		
Other expenses		
Power and fuel	36.57	19.80
Rent (Refer note 38)	1.88	2.37
Repairs and maintenance		
- Buildings	8.27	8.18
- Plant and equipment	10.42	8.12
- Others	2.35	0.71
Insurance	2.33	2.23
Rates and taxes	3.77	3.26
Expenses on apartment and board	17.32	9.16
Advertisement, publicity and other promotional expenses	7.82	3.45
Commission to travel agents and others	44.93	11.77
Passage and travelling	12.81	5.72
Postage, telephone, etc.	1.31	1.26
Legal and professional charges	7.08	4.58
Linen, uniform washing and laundry expenses	1.32	0.66
Renewals and replacements	7.94	3.77
Musical, banquet and kitchen expenses	0.51	0.49
Auditors' remuneration (Refer Note 28(a))	0.15	0.12
CSR expenses (Refer note 28(b))	4.40	4.89
Expenses on contracts for service	20.60	15.22
Loss on sale / discard of property, plant and equipment (net)	-	0.47
Water charges	8.09	4.74
Director's sitting fees	1.20	1.16
Printing and stationery	1.19	0.97
Subscriptions	0.24	0.35
Bad debts and other current assets written off	0.15	0.14
Net foreign exchange loss	0.13	-
Miscellaneous expenses	4.06	2.91
Total other expenses	**206.84**	**116.50**
28 (a)		
Details of Auditors' remuneration		
As auditor:		
- Audit fee	0.09	0.09
- Tax Audit fee	0.05	0.01
- Reimbursement of expenses	0.01	0.02
	0.15	**0.12**

* includes additional billing of Rs. 0.02 million

28 (b)
Corporate Social Responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

Rupees Million

Particulars	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	4.40	4.89
(b) Amount approved by the board to be spent during the year	4.40	4.89
(c) Amount of expenditure incurred (as per table below)	3.40	4.89
(i) Construction/acquisition of any asset		
	-	-
	-	-
(ii) On purposes other than (i) above		
Repair and maintenance work and supplies at Modern Children Home, Mashobra	0.91	2.53
Skill Development (Vocational Training) at school for hearing and visually impaired at Dhalli, Shimla	2.23	2.16
Procurement of Bench for SEOG Water Catchment Area	0.26	-
Contribution for PM CARES FUND	-	0.20
	3.40	4.89
	3.40	4.89
(d) Shortfall at the end of the year (a - c)	1.00	-
(e) Total of previous year shortfall	-	-
(f) Reason for shortfall	Refer note below	-
(g) Details of related party transactions	-	-
(h) Liability against contractual obligations for CSR	-	-

Note:
In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amount that was required to be spent during the year, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of approval of these financial statements. However, the time period for such transfer i.e. six months from the expiry of the financial year as permitted under the second proviso to section 135(5) of the Act, has not elapsed till the date of approval of these financial statements. The CSR Committee meeting held on 26 April, 2022 has approved the payment of the unspent amount for financial year 2021-22 to a Fund specified in Schedule VII to the Companies Act, 2013 within the time period permited under the second proviso to section 135(5) of the Act.

Details of ongoing projects under 135(6) of the Companies Act, 2013

Rupees Million

Balance as on 1 April 2021		**Amount required to be spent during the year**	**Amount spent during the year**		**Balance as on 31 March 2022**	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Rupees Million

Balance as on 1 April 2020		**Amount required to be spent during the year**	**Amount spent during the year**		**Balance as on 31 March 2021**	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Rupees Million

Balance as on 1 April 2021	**Amount deposited in Specified Fund of Schedule VII of the Act within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Balance as on 31 March 2022**
Nil	Nil	Nil	Nil	Nil

Rupees Million

Balance as on 1 April 2020	**Amount deposited in Specified Fund of Schedule VII of the Act within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Balance as on 31 March 2021**
Nil	Nil	Nil	Nil	Nil

Details of excess CSR expenditure under Section 135(5) of the Act

Rupees Million

Balance excess spent as at 1 April 2021	**Amount required to be spent during the year**	**Amount spent during the year**	**Balance as on 31 March 2022**
Nil	Nil	Nil	Nil

Rupees Million

Balance excess spent as at 1 April 2020	**Amount required to be spent during the year**	**Amount spent during the year**	**Balance as on 31 March 2021**
Nil	Nil	Nil	Nil

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	Year Ended March 31, 2022	Year Ended March 31, 2021
	Rupees Million	
29		
Tax Expense		
(a) Income tax		
Tax on profits for the year	117.91	53.19
Total income tax	**117.91**	**53.19**
(b) Deferred tax		
Decrease (increase) in deferred tax assets	47.49	21.61
(Decrease) increase in deferred tax liabilities	0.82	1.19
	48.31	**22.80**
Less: MAT credit utilised	(47.42)	(21.05)
Add / (Less): Recognised in OCI	(0.01)	(0.46)
Total deferred tax expense/(benefit)	**0.88**	**1.29**
Total tax expense	**118.79**	**54.48**

29

Tax Expense (contd.)

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

Profit before tax expense	**403.41**	**182.27**
Tax at the rate of 29.12% (F.Y. 2020-21 – 29.12%)	117.47	53.08
Tax effect of amounts which are not deductible in calculating taxable income:		
CSR expenses	1.28	1.42
Interest on MSME (Refer note 33)	0.03	-
Adjustments related to property, plant and equipment:		
Adjustment on account of depreciable and leased assets	0.01	(0.02)
Tax expense as per Income Tax	**118.79**	**54.48**

Notes:

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

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

30

FAIR VALUE MEASUREMENTS

Financial instruments by category

Rupees Million

	As at March 31, 2022	As at March 31, 2021
	Amortised cost	Amortised cost
Financial assets		
Trade receivables	**18.51**	21.58
Cash and cash equivalents	**51.23**	35.98
Other bank balances	**1,878.71**	1,579.17
Other receivables	**3.49**	2.87
Security deposits	**1.38**	1.34
Fixed deposits with more than 12 months maturity period	**-**	4.20
Total financial assets	**1,953.32**	**1,645.14**
Financial liabilities		
Borrowings	**5.00**	5.00
Lease liabilities	**0.11**	0.31
Trade payables	**40.20**	30.36
Others	**1.83**	0.09
Total financial liabilities	**47.14**	**35.76**

(i) Fair value hierarchy

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

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

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

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

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

For all the financial assets and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

31

Financial risk management

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

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

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

(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, 2022		
Euro	-	0.45
US Dollar (USD)	-	-
Net Exposure to foreign currency risk	**-**	**0.45**
March 31, 2021		
Euro	-	-
US Dollar (USD)	-	0.29
Net Exposure to foreign currency risk	-	0.29

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, 2022	**March 31, 2021**
EURO sensitivity		
Rs./EURO Increases by 5% (March 31, 2020 - 5%)	(0.02)	-
Rs./EURO Decreases by 5% (March 31, 2020 - 5%)	0.02	-
USD sensitivity		
Rs./USD Increases by 5% (March 31, 2020 - 5%)	-	(0.01)
Rs./USD Decreases by 5% (March 31, 2020 - 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, 2022	**March 31, 2021**
Variable rate borrowings	-	-
Fixed rate borrowings	**5.00**	5.00
Total borrowings	**5.00**	5.00

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

(iii) Price risk

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

31

Financial risk management (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.

The Company does not have any derivative transaction and therefore is not exposed to any credit risk on account of derivatives. The Company does not have any long-term contracts for which there were any material foreseeable losses.

For trade receivables, the Company has decided to provide loss allowance for lifetime credit loss on the basis of expected credit loss model. However, as per the Company's past collection history, credit risks (default risk and delay risk) are insignificant. As per the past practice, the Company's trade receivables are generally collected within the acceptable credit period. In some instances, there is a practice of delay in receipt of payment, however the quantum of same is insignificant in comparison to the total trade receivables. Therefore, no loss allowance has been provided by the Company on trade receivables under Ind AS.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. However, the Company has a past practice of maintaining sufficient liquidity (Cash and bank balances) to meet its obligation.

Further, the Company does not have significant debt liability outstanding. Therefore, the Company does not maintain any committed credit facilities or borrowing to mitigate liquidity risk as the same is insignificant as per the Company's current capital structure.

Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities: **Rupees Million**

	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2022				
Borrowings*	0.83	3.30	5.00	9.13
Lease liabilities	0.11	-	-	0.11
Liability for capital expenditure	0.74	-	-	0.74
Liability towards Corporate Social Responsibility	1.00	-	-	1.00
Trade payables	40.29	-	-	40.29
Total non-derivative liabilities	**42.97**	**3.30**	**5.00**	**51.27**
March 31, 2021				
Borrowings*	0.83	3.30	5.00	9.13
Obligations under finance lease	0.18	0.52	-	0.70
Liability for capital expenditure	0.09	-	-	0.09
Trade payables	30.36	-	-	30.36
Total non-derivative liabilities	**31.46**	**3.82**	**5.00**	**40.28**

* The borrowing is repayable at the option of the Company. The management does not expect repayment in foreseeable future. Accordingly, interest component payable after 5 years has not been considered.

32

Capital Management

Risk management

The Company's objectives when managing capital are to

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

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

The Company does not have significant borrowings outstanding. Further, borrowing of Rs. 5 million (2021 - Rs. 5 million) appearing in the books of account of the Company is a loan from Government of Himachal Pradesh. There are no significant covenants to the loan. The loan is repayable at the option of the Company.

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

	As at March 31, 2022	As at March 31, 2021
	Rupees Million	
33		
Trade Payables to Micro and Small Enterprises		
(i) Principal amount remaining unpaid at the end of the year *	2.56	0.35
(ii) Interest due thereon remaining unpaid at the end of the year	0.09	Nil
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	0.09	Nil
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	Nil	Nil
(vii) Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.09	Nil
Total [(i)+(v)]	**2.65**	**0.35**

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

	As at March 31, 2022	As at March 31, 2021
34		
Trade Payables To Other Than Micro And Small Enterprises		
Trade payables to related parties	3.23	4.48
Trade payables - others	34.41	25.53
Total	**37.64**	**30.01**

MASHOBRA RESORT LIMITED
Notes to the Financial Statements -- Contd.

As at March 31, 2022			**Outstanding for following periods from due date of payment**				
Particulars	**Unbilled dues**	**Not due**	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(a) MSME		0.30	2.25	0.01	-	-	**2.56**
(b) Others	15.59	5.45	11.23	0.50	2.89	2.07	**37.73**
Total	**15.59**	**5.75**	**13.48**	**0.51**	**2.89**	**2.07**	**40.29**

As at March 31, 2021			**Outstanding for following periods from due date of payment**				
Particulars	**Unbilled dues**	**Not due**	**Less Than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(a) MSME		-	0.28	0.01	0.06	-	**0.35**
(b) Others	6.43	8.88	5.59	6.49	0.44	2.18	**30.01**
Total	**6.43**	**8.88**	**5.87**	**6.50**	**0.50**	**2.18**	**30.36**

Note: There are no disputed trade payables.

MASHOBRA RESORT LIMITED

Notes to the Financial Statements -- Contd.

35 (a)

Related Party Disclosures

List of Related Parties

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

Mr. Ram Subhag Singh (w.e.f 26.10.21) - Chairman
Mr. Anil Kumar Khachi (w.e.f. 21.01.20 upto 20.10.21) - Chairman
Mr. Subhashis Panda (w.e.f 26.10.21) - Director
Mr. Ram Dass Dhiman (w.e.f. 21.01.20 upto 11.08.20) - Director
Mr. Prabodh Saxena (w.e.f. 21.01.20)- Director
Mr. Devesh Kumar (w.e.f. 11.08.20 upto 21.07.21) - Director
Mr. Vikramjit Singh Oberoi - Director
Mr. S. N. Sridhar - Company Secretary and Director (upto 31.08.21)
Mr. Tej Kumar Sibal - Director
Mr. Kallol Kundu - Director (w.e.f. 26.10.21) and Chief Financial Officer
Mr. Arjun Singh Oberoi - Managing Director
Mr. Lalit Kumar Sharma - Company Secretary (w.e.f. 26.10.21)
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 and Resorts Limited
EIH Flight Services Ltd
EIH International Ltd
EIH Holdings Ltd
EIH Investments N.V. (Liquidated during 2020-21)
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud

(iv) Associates / Joint Ventures of Parent Company

Associates of Parent Company:
EIH Associated Hotels Limited
La Roseraie De L'atlas
Usmart Education Limited

Joint Ventures of Parent Company:
Mercury Car Rentals Private Limited
Oberoi Mauritius Ltd (including its subsidiary, Island Resort Limited)

(v) Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year

Oberoi Hotels Private Limited

(vi) Joint Venture Partner

Government of Himachal Pradesh

MASHOBRA RESORT LIMITED

Notes to the Financial Statements -- Contd.

35 (b)

Transactions with Related Parties for the year ended March 31, 2022

Rupees Million

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year		Key Management Personnel	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
PURCHASES										
Purchase of goods and services										
EIH Limited	**38.33**	32.32	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	**0.24**	0.16	-	-	-	-
Mumtaz Hotels Limited	**0.01**	-	-	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	**5.05**	2.86	-	-	-	-
Total	**38.34**	32.32	-	-	**5.29**	3.02	-	-	-	-
EXPENSES										
Directors' sitting fees										
Mr. Arjun Singh Oberoi	-	-	-	-	-	-	-	-	**0.24**	0.20
Mr. Vikramjit Singh Oberoi	-	-	-	-	-	-	-	-	**0.24**	0.20
Mr. Tej Kumar. Sibal	-	-	-	-	-	-	-	-	**0.16**	0.16
Mr. S.N. Sridhar	-	-	-	-	-	-	-	-	**0.08**	0.16
Mr. Kallol Kundu	-	-	-	-	-	-	-	-	**0.04**	-
Total	-	-	-	-	-	-	-	-	**0.76**	0.72
SALES										
Sale of goods and services										
EIH Limited	**1.89**	0.23	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	**0.22**	0.07	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	**0.01**	0.02	-	-
Total	**1.89**	0.23	-	-	**0.22**	0.07	**0.01**	0.02	-	-

PAYMENTS										
Refund of collections to related party										
EIH Limited	**0.10**	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	**0.60**	-	-	-	-	-
Total	**0.10**	-	-	-	**0.60**	-	-	-	-	-
Expenses reimbursed to related party										
EIH Limited	**2.87**	1.26 *	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	**0.65**	1.01	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	**0.23**	-	-	-
Total	**2.87**	1.26 *	-	-	**0.65**	1.01	**0.23**	-	-	-
Expenses reimbursed by related party										
EIH Limited	-	0.24	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	**0.05**	0.11	-	-	-	-
Total	-	0.24	-	-	**0.05**	0.11	-	-	-	-

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

MASHOBRA RESORT LIMITED

Notes to the Financial Statements -- Contd.

35 (c)

The details of amounts due to or due from related parties as at March 31, 2022 and March 31, 2021 are as follows :

Rupees Million

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year		Key Management Personnel	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
PAYABLES										
For goods and services										
EIH Limited	**3.21**	3.76	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	-	0.72	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	**0.02**	-	-	-
Total	**3.21**	3.76	-	-	-	0.72	**0.02**	-	-	-
Advance towards equity										
EIH Limited	-	1,361.93	-	-	-	-	-	-	-	-
Total	-	1,361.93	-	-	-	-	-	-	-	-
RECEIVABLES										
For goods and services										
EIH Limited	**0.02**	0.39	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	**0.04**	0.21	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.04	-	-
Total	**0.02**	0.39	-	-	**0.04**	0.21	-	0.04	-	-

36
The Company had contingent liabilities at March 31, 2022 in respect of:

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

		Rupees Million
	March 31, 2022	**March 31, 2021**
i. Luxury Tax	10.12	10.12

Note - The matter listed above is in the nature of statutory dues, namely, luxury tax, which is under litigation, the outcome of which would depend on the merits of facts and law at an uncertain future date. The amount shown in the item above represents the best possible estimate arrived at, is on the basis of currently available information. The Company engages reputed professional advisors to protect its interest, and cases that are disputed by the Company are those where the management has been advised that it has strong legal positions. Hence, the outcome of this matter is not envisaged to have any material adverse impact on the Company's financial position.

37
Commitments

		Rupees Million
	March 31, 2022	**March 31, 2021**
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment (Net of capital advances)	0.82	0.26

38
Leases

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

On transition, the adoption of the new standard resulted in reclassification of 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 had been no impact on the retained earnings due to application of the standard.

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

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

	Rupees Million
Lease liabilities recognised on adoption of Ind AS 116 - Leases as at April 1, 2019	**0.70**
Of which were:	
Current lease liabilities	0.18
Non-current lease liabilities	0.52

Amount recognised in the Statement of Profit and Loss

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

		Rupees Million
Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Depreciation charge for the right-of-use assets (vehicle leases)	0.16	0.20
Interest expense (included in Finance costs)	0.11	0.17
Expense relating to short-term leases (included in other expenses)	1.88	2.37
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	0.03	-

The total cash outflows for leases for the year ended March 31, 2022 was Rs. 0.31 million (March 31, 2021 - Rs. 0.38 million) which are presented as part of cash flows from financing activities.

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

		Rupees Million
	As at March 31, 2022	**As at March 31, 2021**
Opening balance	**0.25**	**0.45**
Additions	-	-
Depreciation	0.16	0.20
Closing balance	**0.09**	**0.25**

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:

		Rupees Million
Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Current lease liabilities	0.11	0.20
Non-current lease liabilities	-	0.11
Total	**0.11**	**0.31**

The following is the movement in lease liabilities:

		Rupees Million
Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Opening Balance	**0.31**	**0.52**
Additions	-	-
Finance cost accrued during the period	0.11	0.17
Payment of lease liabilities	0.31	0.38
Closing Balance	**0.11**	**0.31**

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

		Rupees Million
Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Less than one year	0.11	0.20
One to five years	-	0.11
More than five years	-	-
Total	**0.11**	**0.31**

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.

39

Segment Reporting

There are no reportable segments other than hotels 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, 2022	**March 31, 2021**
(a) Basic earnings per share	8.62	3.87
(b) Diluted earnings per share	8.62	3.87

		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	284.62	127.79
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	284.62	127.79

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

	March 31, 2022 Number of shares	**March 31, 2021 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, 2021	**Cash Flows**	**Non-cash Changes**	**As at March 31, 2022**
Non-current borrowings	5.00	-	-	**5.00**
Lease liabilities	0.31	(0.20)	-	**0.11**
Current borrowings	-	-	-	-
Total	**5.31**	**(0.20)**	-	**5.11**

	As at March 31, 2020	**Cash Flows**	**Non-cash Changes**	**As at March 31, 2021**
Non-current borrowings (including current maturities of finance lease obligations)	5.00	-	-	**5.00**
Lease liabilities	0.52	(0.21)	-	**0.31**
Current borrowings	-	-	-	-
Total	**5.52**	**(0.21)**	-	**5.31**

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 22).

Rupees Million

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
As at the beginning of the year	19.03	5.22
Recognised as revenue during the year	19.03	5.22
As at the end of the year	16.64	19.03

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

44
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020, draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code and Rules thereunder become effective.

45
Impact of COVID-19 on Business Operations
The second wave of COVID-19 has had severe impact on human lives and the economy across various states in India in April and May 2021. Different states in India imposed lockdown from different dates during April, 2021 and May, 2021, with the state of Himachal Pradesh imposing lockdown from 7 May, 2021 unto 14 June, 2021

The consequences of the COVID-19 outbreak on the Company's business were severe for the month of April and May 2021 and year ended 31 March, 2021. Several cost rationalization measures that were initiated during the last financial year have continued through the current year. Although the Company's hotel was operational throughout the period to accommodate the in-house guests who preferred to stay, business started picking up after the lockdown was lifted on 15 June 2021 and has seen significant recovery thereafter.

The Management does not foresee any stress on liquidity owing to the availability of liquid funds in the form of cash and cash equivalents and other bank balances (other than earmarked accounts) amounting to Rs. 825.86 Million as on 31 March, 2022.

The Management has also assessed the potential impact of COVID-19 including but not limited to its assessment of liquidity and going concern assumption, the carrying value of property, plant and equipment, right of use of assets, capital work-in-progress, intangible assets, tax assets, inventories, trade receivables, other current and non-current assets appearing in the Financial Statements as on 31 March, 2022. Based on current indicators of future economic conditions, the Management expects to recover the carrying amount of its assets as on 31 March, 2022.

The impact of COVID-19 on the business may be different from that estimated on the date of approval of these Financial Statements. The Management will continue to closely monitor any material changes to future economic conditions.

46
Ratios **

Sl. No.	Ratio	Numerator	Denominator	Year Ended March 31, 2022	Year Ended March 31, 2021	% Change (increase/ (decrease))	Explanation for variances exceeding 25%
(a)	Current ratio (in times)	Current assets	Current liabilities	32.77	32.10	2%	
(b)	Debt-equity ratio (in times)	Total debt (Non-current and current) including Lease Liabilities	Shareholder's equity (Total equity)	0.00*	0.00*		
(c)	Debt service coverage ratio (in times)	Earnings available for debt service = net profit after taxes + depreciation and amortisation expense + finance costs + non-cash operating expenses + other non-cash adjustments	Debt service = interest and lease payments + principal repayments	243.80	119.50	104%	The variance is due to the Company earning higher net profit after taxes of Rs. 156.86 million. Such increase in earnings was on account of growth in revenue mainly due to increase in the revenue from rooms and food and beverages on account of increased occupancy.
(d)	Return on equity ratio (in %)	Net profit after taxes	Average shareholder's equity	31.99%	18.71%	71%	The variance is due to the Company earning higher net profit after taxes of Rs. 156.86 million. Such increase in earnings was on account of growth in revenue mainly due to increase in the revenue from rooms and food and beverages on account of increased occupancy.
(e)	Inventory turnover ratio (in times)	Consumption of provisions, wines and others	Average inventory (Provisions, wines and others)	3.65	2.03	80%	The variance is on account of increase in consumption which was mainly on account of improvement in business leading to growth in food and beverages revenue.
(f)	Trade receivables turnover ratio (in times)	Credit sales = revenue from operations - cash sales	Average trade receivables	29.00	10.45	177%	The variance is on account of increase in credit sales as well as decrease in average trade receivables which was mainly on account of growth in revenue due to improvement in business and collections made during the current year.
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	6.83	1.53	347%	The variance is due to increase in net credit purchases and decrease in average trade payables which was mainly due to improvement in business and payments made during the year.
(h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital = current assets - current liabilities	0.34	0.18	85%	The variance is due to increase in revenue from operations and decrease in working capital which was on mainly on account of growth in revenue along with higher efficiency on working capital.
(i)	Net profit ratio (in %)	Net profit after taxes	Revenue from operations	43.05%	42.67%	1%	
(j)	Return on capital employed (in %)	Earning before interest and taxes	Capital employed= tangible net worth + total debt + deferred tax liability	37.22%	24.16%	54%	The variance is mainly due to increase in earning before interest and taxes at higher rate as against increase in capital employed. The increase in earning before interest and taxes is on account on growth in revenue.
(k)	Return on investment (in %)	Income generated from investments	Time weighted average investments	NA	NA		Return on investment is not applicable, as the Company did not hold any investments during the year/ as at 1 April, 2021.

** Based on the requirements on Schedule III
* Value is less than 0.01

47
Other Statutory Information

1 The Company was not holding any benami property and no proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2 The Company did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
3 The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.
4 The Company had not traded or invested in Crypto currency or Virtual Currency during year ended 31 March, 2022.
5 The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
6 The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds (which are material either individually or in the aggregate) to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7 The Company has not received any funds (which are material either individually or in the aggregate) from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
8 The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
9 The Company had not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

48
The financial statements were approved for issue by the Board of Directors on 29 April, 2022.

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

Tej Kumar Sibal
Director
(DIN No: 00038992)

Kallol Kundu
Director and Chief Financial Officer
(DIN No: 09377233)

Lalit Sharma
Company Secretary

New Delhi
29 April, 2022