PT Waka Oberoi Indonesia

Financial statements as of March 31, 2022 and for the year then ended with independent auditors' report

PT WAKA OBEROI INDONESIA
FINANCIAL STATEMENTS
AS OF MARCH 31, 2022
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

Table of Contents

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PT WAKA OBEROI INDONESIA

REPORT OF THE DIRECTORS

We present the report and the audited financial statements of PT Waka Oberoi Indonesia (the Company") for the year ended March 31, 2022.

Principal activity
The principal activity of the Company is hotel ownership and management.

Results
The Company's financial position and results of operations as of and for the year ended March 31, 2022 are set out in the financial statements on pages 1 to 5 preceded by the independent auditors' report.

Statement of directors' responsibilities in respect of the financial statements

We are responsible for the preparation and the presentation of the financial statements, and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We are also responsible for the Company's internal control systems and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements of the Company, we are required to:

- select suitable accounting policies and then apply them consistently;
- prepare and present the financial statements in accordance with Indonesian Financial Accounting Standards;
- make judgments and estimates that are reasonable and prudent;

We confirm that we have complied with the above requirements in preparing the financial statements and all information contained in the financial statements are complete and correct. The financial statements do not contain or omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, April 21, 2022
On behalf of the Board of Directors

METERAI TEMPEL
5B1DCAJX748255100

I Wayan Pasek
President Director

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Independent Auditors' Report

Report No. 00709/2.1032/AU.1/10/1175-7/1/IV/2022

The Shareholders and the Board of Commissioners and Directors
PT Waka Oberoi Indonesia

We have audited the accompanying financial statements of PT Waka Oberoi Indonesia, which comprise the statement of financial position as of March 31, 2022, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Waka Oberoi Indonesia as of March 31, 2022, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit was conducted for the purpose of forming an opinion on the basic Indonesian rupiah financial statements taken as a whole. The translations of the Indonesian rupiah amounts into United States Dollar have been made on the basis set forth in Note 2n to the financial statements and are presented for purposes of additional analysis only and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion thereon.

KAP Purwantono, Sungkoro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

April 21, 2022

00709

PT WAKA OBEROI INDONESIA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2022
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Notes	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2c, 2o,4, 23,24	1,205,295,658	1,138,740,376	83,999	78,146
Inventories	2e,5	994,512,018	1,055,159,131	69,309	72,410
Prepayments and advances	2f,6	1,745,541,772	1,659,678,943	121,649	113,895
Other current financial assets	2o,23,24	14,901,618	28,873,592	1,038	1,981
TOTAL CURRENT ASSETS		**3,960,251,066**	**3,882,452,042**	**275,995**	**266,432**
NON-CURRENT ASSETS					
Fixed assets - net	2g,7	48,901,644,839	52,534,935,164	3,408,017	3,605,197
Tax amnesty assets - net	2m,10d	27,866,667	104,866,667	1,942	7,196
Other non-current financial assets	2o, 23,	126,615,000	126,615,000	8,824	8,690
Deferred tax assets - net	2m,10c	2,350,874,422	3,510,649,556	163,835	240,917
TOTAL NON-CURRENT ASSETS		**51,407,000,928**	**56,277,066,387**	**3,582,618**	**3,862,000**
TOTAL ASSETS		**55,367,251,994**	**60,159,518,429**	**3,858,613**	**4,128,432**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	2o,8, 23, 24	761,286,185	261,375,898	53,055	17,937
Other payables	2o, 9, 23, 24				
Third parties		228,950,974	314,954,975	15,955	21,614
Related party	12	26,516,468	-	1,848	-
Taxes payable	2m,10a	184,979,895	175,962,886	12,891	12,075
Accrued expenses	2o,11,23	2,895,346,697	2,991,159,328	201,780	205,268
Due to related parties	2d,2o, 12, 23, 24	36,929,218,873	24,947,818,173	2,573,644	1,712,038
Reserve for replacement of furniture, fixtures and equipment	2i,13	6,957,702,495	7,681,618,077	484,891	527,149
Other current financial liabilities	2o,14,23, 24	650,289,368	722,420,128	45,319	49,576
TOTAL CURRENT LIABILITIES		**48,634,290,955**	**37,095,309,465**	**3,389,383**	**2,545,657**
NON-CURRENT LIABILITY					
Employee benefits liability	2j,15	4,374,828,445	4,343,771,288	304,887	298,090
TOTAL NON-CURRENT LIABILITIES		**4,374,828,445**	**4,343,771,288**	**304,887**	**298,090**
TOTAL LIABILITIES		**53,009,119,400**	**41,439,080,753**	**3,694,270**	**2,843,747**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF FINANCIAL POSITION (continued)
As of March 31, 2022
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Notes	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
EQUITY					
Capital stock A series- Rp180,000 par value Authorized, issued and fully paid - 129,385 shares	16	23,289,300,000	23,289,300,000	11,450,000	11,450,000
Capital stock B series- Rp750,000 par value Authorized, issued and fully paid- 461,359 shares	16	346,019,250,000	346,019,250,000	26,016,500	26,016,500
Additional paid-in capital	2m,10d	385,000,000	385,000,000	28,902	28,902
Other comprehensive loss					
Re-measurement loss on long-term employee benefits liability		(748,033,037)	(996,287,315)	(59,777)	(77,078)
Translation adjustment	2n	-	-	(6,129,800)	(6,176,022)
Deficit		(366,587,384,369)	(349,976,825,009)	(31,141,482)	(29,957,617)
NET EQUITY		**2,358,132,594**	**18,720,437,676**	**164,343**	**1,284,685**
TOTAL LIABILITIES AND EQUITY		**55,367,251,994**	**60,159,518,429**	**3,858,613**	**4,128,432**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
Year Ended March 31, 2022
(Expressed in Rupiah, unless otherwise stated,
with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2022	2021	2022	2021
DEPARTMENTAL REVENUES	2k,17				
Rooms		742,764,427	-	51,793	-
Food and beverages		138,762,422	-	9,691	-
Other operating departments		2,157,083	-	150	-
Others		198,348	-	14	-
Total Departmental Revenues		883,882,280	-	61,648	-
COST OF REVENUES	2k,18	**3,846,411,877**	**2,825,127,808**	**267,995**	**194,883**
GROSS LOSS		**(2,962,529,597)**	**(2,825,127,808)**	**(206,347)**	**(194,883)**
HOTEL OPERATING EXPENSES	2k				
General and administrative expenses	19	2,565,730,906	1,955,905,014	178,732	135,516
Property operations, maintenance and energy expenses	20	2,989,517,964	1,669,896,425	208,297	115,372
Marketing expenses	21,25	348,179,402	367,768,336	24,230	25,711
Other income	22	-	(378,323,027)	-	(26,574)
Total Hotel Operating Expenses		5,903,428,272	3,615,246,748	411,259	250,025
HOTEL GROSS OPERATING LOSS		**(8,865,957,869)**	**(6,440,374,556)**	**(617,606)**	**(444,908)**
OWNER'S OPERATING INCOME (EXPENSES)	2k				
Depreciation and amortization	7,10d	(4,358,643,325)	(4,543,586,194)	(303,587)	(313,304)
Foreign exchange gain - net	2n	369,939,479	2,841,308,755	-	-
Insurance		(1,392,240,748)	(1,317,786,012)	(98,045)	(96,051)
Professional fees		(864,599,998)	(904,200,000)	(60,210)	(62,346)
Salaries and wages		(246,070,746)	(400,064,634)	(17,114)	(27,492)
Taxes		-	(1,986,181)	-	(131)
Finance income		107,507	71,724	7	5
Other operating income (expense) - net	7	(93,318,526)	17,213,576,932	(6,484)	1,182,791
Owner's Operating Income (Loss) - Net		**(6,584,826,357)**	**12,887,334,390**	**(485,433)**	**683,472**
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**(15,450,784,226)**	**6,446,959,834**	**(1,103,039)**	**238,564**
Income tax benefit (expense)	2m,10b	(1,159,775,134)	3,542,382,711	(80,826)	239,736
INCOME (LOSS) FOR THE YEAR		**(16,610,559,360)**	**9,989,342,545**	**(1,183,865)**	**478,300**
OTHER COMPREHENSIVE INCOME (LOSS)					
Other comprehensive income(loss) not to be reclassified to profit or loss in subsequent periods:					
Re-measurement income (loss) on long-term employment benefits liability - net of tax		248,254,278	(36,570,146)	17,301	(2,510)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:					
Translation adjustment		-	-	46,222	273,205
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(16,362,305,082)**	**9,952,772,399**	**(1,120,342)**	**748,995**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF CHANGES IN EQUITY
Year Ended March 31, 2022
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah				
	Note	Capital Stock	Additional Paid in Capital	Other Comprehensive Loss	Deficit	Net Equity
Balance as of March 31, 2020		**369,308,550,000**	**385,000,000**	**(959,717,169)**	**(359,966,167,554)**	**8,767,665,277**
Income for the year		-	-	-	9,989,342,545	9,989,342,545
Re-measurement loss on long-term employee benefits liability – net of tax	15	-	-	(36,570,146)	-	(36,570,146)
Balance as of March 31, 2021		**369,308,550,000**	**385,000,000**	**(996,287,315)**	**(349,976,925,009)**	**18,720,437,676**
Loss for the year					(16,610,559,360)	(16,610,559,360)
Re-measurement gain on long-term employee benefits liability	15	-	-	248,254,278	-	248,254,278
Balance as of March 31, 2022		**369,308,550,000**	**385,000,000**	**(748,033,037)**	**(366,587,384,369)**	**2,358,132,594**

	Translations into U.S. Dollar - Unaudited (Note 2n)					
	Capital Stock (Note 16)	Additional Paid in Capital	Deficit	Other Comprehensive Loss (Note 15)	Translation Adjustment (Note 2n)	Net Equity
Balance as of March 31, 2020	**37,466,500**	**28,902**	**(30,435,917)**	**(74,568)**	**(6,449,227)**	**535,690**
Income for the year	-	-	478,300	-	-	478,300
Re-measurement loss on long-term employee benefits liability - net of tax	-	-	-	(2,510)	-	(2,510)
Translation adjustment	-	-	-	-	273,205	273,205
Balance as of March 31, 2021	**37,466,500**	**28,902**	**(29,957,617)**	**(77,078)**	**(6,176,022)**	**1,284,685**
Loss for the year	-	-	(1,183,865)	-	-	(1,183,865)
Re-measurement gain on long-term employee benefits liability	-	-	-	17,301	-	17,301
Translation adjustment	-	-	-	-	46,222	46,222
Balance as of March 31, 2022	**37,466,500**	**28,902**	**(31,141,482)**	**(59,777)**	**(6,129,800)**	**164,343**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF CASH FLOWS
Year Ended March 31, 2022
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	**2022**	**2021**	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES					
Income (loss) before income tax		(15,450,784,226)	6,446,959,834	(1,103,039)	238,564
Adjustments to reconcile Income (loss) before income tax for the year to net cash provided by (used in) operating activities:					
Depreciation and amortization	7,10d	4,358,643,325	4,543,586,194	303,587	313,304
Provision for replacement of furniture, fixtures and equipment	13	26,516,468	-	1,848	-
Provision for international sales marketing	12	26,516,468	-	1,848	-
Provision for employee benefits net of benefit payments	15	279,311,435	(739,858,659)	24,918	(50,773)
Unrealized loss (gain)on foreign exchange		(369,939,479)	(2,841,308,755)	-	-
Provision for (reversal of) impairment of trade receivables		-	(53,690,730)	-	(3,280)
Changes in operating asset and liabilities:					
Trade receivables		-	338,906,943	-	17,426
Inventories		60,647,113	(6,128,550)	3,101	(8,316)
Prepayments and advances		(85,862,829)	458,846,076	(7,754)	15,544
Other current financial assets		13,971,974	(2,605,107)	943	(376)
Trade payables		499,910,287	(345,905,855)	35,118	(19,167)
Other payables		(86,004,001)	(2,205,956,889)	(7,626)	(132,410)
Accrued expenses		(92,217,545)	(927,372,391)	(5,290)	(76,083)
Taxes payable		9,017,009	(217,533,958)	816	(11,967)
Security deposit		-	-	(134)	-
Other current liabilities		(72,130,760)	(1,097,811,116)	(6,457)	(61,638)
Net Cash Flows Provided by (Used in) Operating Activities		**(10,882,404,761)**	**3,350,127,037**	**(758,121)**	**220,828**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	7	(648,353,000)	(959,335,001)	(45,403)	(69,952)
Utilization of reserve for replacement of furniture, fixtures and equipment	13	(750,432,050)	(95,754,000)	(52,228)	(6,586)
Total Cash Used in Investing Activities		**(1,398,785,050)**	**(1,055,089,001)**	**(97,631)**	**(76,538)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts (settlement) of funds from related parties	12, 27	**12,360,305,182**	**(2,872,992,003)**	**861,605**	**(170,781)**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		**12,360,305,182**	**(577,953,967)**	**861,605**	**(26,491)**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**(12,560,089)**	**4,095,154**	**-**	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	**4**	**1,138,740,376**	**1,712,599,189**	**78,146**	**104,637**
CASH ON HAND AND IN BANKS AT END OF YEAR	**4**	**1,205,295,658**	**1,138,740,376**	**83,999**	**78,146**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

1. GENERAL

PT Waka Oberoi Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 of 1967 as amended by Law No. 11 of 1970 based on notarial deed No. 225 dated November 26, 1992 of Siti Pertiwi Henny Shidki, S.H. The deed of establishment was approved by the Ministry of Justice in its decision letter No. C2-1631.HT.01.01.TH.93 dated March 13, 1993 and was published in Supplement No. 2313 of State Gazette No. 42 dated May 25, 1993.

According to Article 3 of the Company's articles of association, the Company's scope of activities mainly consists of establishing, developing, operating and managing resort hotels. The Company is domiciled in North Lombok Regency, West Nusa Tenggara and owns The Oberoi Lombok Hotel (the "Hotel") located in West Nusa Tenggara, which started commercial operations in April 1997. On March 19, 2019, EIH Management Services B.V assigned EIH Holdings Ltd. to manage the hotel operations up to year 2034 with option to extend for 20 years.

The composition of the Company's Boards of Commissioners and Directors as of March 31, 2022 and 2021 are as follows:

	2022	2021
Board of Commissioners		
President Commissioner	: Sudarshan Rao	Sudarshan Rao
Commissioner	: Ida Bagus Gede Yudana	Ida Bagus Gede Yudana
Board of Directors		
President Director	: I Wayan Pasek	I Wayan Pasek
Director	: I Ketut Siandana	I Ketut Siandana
Director	: Deepak Madhok	Deepak Madhok

The Company employed a total of 92 and 98 permanent employees as of March 31, 2022 and 2021, respectively (unaudited).

In March 2020, Indonesia was hit by novel corona virus disease 2019 (COVID-19) and the Company has since closed the operations. On April 1, 2022, the Company has already resumed its hotel operations.

The management of the Company is responsible for the preparation and presentation of the accompanying financial statements that were completed and authorized for issuance by the Board of Directors on April 21, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesia Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK") issued by the Indonesia Financial Accounting Standards Board ("DSAK") of the Indonesian Institute of Accountants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of the Financial Statements (continued)

Except for the statement of cash flows, the financial statements have been prepared on the accrual concept, using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The statement of cash flows presents cash receipts and payments of cash on hand and in banks classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The Company's functional currency is the Indonesian rupiah, which is also the currency used in the preparation of the financial statements, with translations into the United States dollar.

b. Current and Non-current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
i) expected to be realized or intended to be sold or consumed in the normal operating cycle,
ii) held primarily for the purpose of trading,
iii) expected to be realized within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:
i) expected to be settled in the normal operating cycle,
ii) held primarily for the purpose of trading,
iii) due to be settled within twelve months after the reporting period, or
iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of the equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c. Cash on Hand and in Banks

Cash on hand and in banks, in the statement of financial position comprise cash on hand and in banks which are not restricted to use, and which are subject to an insignificant risk of changes in value.

d. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7, "Related Party Disclosures".

The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those for transactions with unrelated parties.

All significant transactions and balances with related parties are disclosed in the relevant notes to the financial statements. Unless specifically identified as related parties, the parties disclosed in the Notes to the financial statements are unrelated parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Inventories

Inventories are valued at the lower of cost or net realizable value. Except for boutique inventories (which use the First-In First Out method), the cost is determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Allowance for decline in market value and obsolescence of inventories, if any, is provided to reduce the carrying value of inventories to their net realizable values based on the review of the market value and physical condition of the inventories.

f. Prepayments

Prepayments are amortized and charged to operations over the periods benefited using the straight-line method. The portion to be amortized within one year is presented as part of current assets, otherwise, as non-current assets.

g. Fixed Assets

Fixed assets, except land which is stated at cost and not depreciated, are stated at cost less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes: (a) purchase price, (b) any costs directly attributable to bringing the asset to its present location and condition, and (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any. Each part of an item of fixed assets with a cost that is significant in relation to the total cost of the item should be depreciated separately.

When significant renewals and betterments are performed, their costs are recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are charged directly to current operations.

Depreciation commences once the assets are available for their intended use and is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Buildings	20
Structures and improvements	10
Machinery and equipment	8
Furniture, fixtures and equipment	5
Motor vehicles	5

Land is stated at cost and is not depreciated. The costs incurred in order to acquire legal rights over land in the form of “Hak Guna Usaha” (HGU), “Hak Guna Bangunan” (HGB) or “Hak Pakai” (HP) upon initial acquisition of land are recognized as part of the acquisition cost of the land and are not amortized.

Construction in progress represents the accumulated cost of materials and other costs related to the asset under construction. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the constructed asset is ready for its intended use.

The carrying amount of an item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to current operations in the period when the asset is derecognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Impairment of Non-financial Assets

The Company assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or its cash-generating unit's (CGU's) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income as “impairment losses”. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in the statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charged on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i. Provisions and Contingencies

A provision is recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

Contingent liabilities are not recognized in the financial statement but are disclosed in the notes to the financial statements unless the outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Employee Benefits Liability

Short-term employee benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of “Accrued expenses” in the statement of financial position.

Post-employment benefits

Effective February 2, 2021, the Company applied the Government Regulation Number 35 Year 2021 (PP 35/2021), implementing the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja) in its determination of the employee benefits liability.

The Company previously recognizes its unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the “Law”) and PSAK 24 (Revised 2013), “Employee Benefits”.

Pension costs under the Company’s defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate and annual rate of increase in compensation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding the amounts, included in net interest on the net defined benefit liability) are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier between:
i) the date of the plan amendment or curtailment, and
ii) the date the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under “Cost of Goods Sold and Services” and “General and Administrative Expenses” as appropriate in the statement profit or loss and other comprehensive income:
i) Service costs comprising current service costs, past-service costs, gains or losses on curtailments and non-routine settlements, and
ii) Net interest expense or income

k. Revenue and Expense Recognition

The Company early adopted PSAK 72 “Revenue from Contract with Customers”. PSAK 72 supersedes IAS PSAK 23, Revenue, and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. PSAK 72 establishes a five-step model to account for revenue arising from contract with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PSAK 72 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Revenue and Expense Recognition (continued)

Hotel room revenue is recognized based on room occupancy while other hotel revenues are recognized when the goods are delivered or the services are rendered to the customers.

Expenses are recognized when they are incurred.

l. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average buying and selling rates of exchange published by Bank Indonesia at the last banking transaction date of the year. The resulting gains or losses are credited or charged to current operations.

As of March 31, 2022 and 2021, the rates of exchange used were Rp14,349 and Rp14,572, respectively, to US$1.

m. Taxation

<u>Current tax</u>

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of “Income tax expense” in the statement of profit or loss and other comprehensive income. Interests and penalties are presented as part of other operating income or expenses since they are not considered as part of the income tax expense.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

<u>Deferred tax</u>

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Taxation (continued)

Deferred tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

Value added tax (“VAT”)

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the Tax Office, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

Change in Tax Rates

On March 31, 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, reduction to the tax rates for corporate income tax payers and permanent establishments entities from previously 25% to become 22% for fiscal years 2020 and 2021 and 20% starting fiscal year 2022 and onwards, and further reduction of 3% for corporate income tax payers that fulfill certain criteria.The new tax rates are used as reference to measure the current and deferred tax assets and liabilities starting from the enactment date of the new regulation on March 31, 2020.

On October 7, 2021, Harmonization of Tax Regulation Law (UU HPP) was ratified and stipulates, among others, changes to the tax rates for corporate income tax payers and permanent establishments entities for the fiscal year 2022 and onwards which previously regulated under Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 from previously 20% to become 22%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Taxation (continued)

Tax amnesty

On September 19, 2016, the Indonesia Financial Accounting Standards Board (DSAK IAI) issued PSAK 70, “Accounting for tax amnesty assets and liabilities”.

This PSAK provides accounting policy choice for the entity to account the asset and liabilities in accordance with the provision of Tax Amnesty Law. The alternative accounting options are:
- To use the existing applicable standard under SAK.
- To use the specific provision in PSAK 70.

Management decided to use the specific provision in PSAK 70. According to specific provision of PSAK 70, tax amnesty assets are measured at the amount reported in the Tax Amnesty Approval Letter (“SKPP”), while tax amnesty liabilities are measured at the amount of cash or cash equivalents that will settle the contractual obligation related to the acquisition of the tax amnesty assets. The redemption money (the amount of tax paid in accordance with Tax Amnesty law) shall be charged directly to profit or loss in the period when the SKPP was received.

Any difference between amounts initially recognized for the tax amnesty assets and the related tax amnesty liabilities shall be recorded in equity as Additional Paid-In Capital (“APIC”). The APIC shall not be reclassified to retained earnings or recycled to profit or loss subsequently.

n. Translations of Indonesian Rupiah Amounts into United States (U.S.) Dollar

The financial statements are stated in Indonesian rupiah, the currency of the country in which the Company operates. The translations of Indonesian rupiah amounts into U.S. dollar were made at the following rates:

Assets and liabilities	-	Middle rate as of reporting date (Rp14,349 to US$1 and Rp14,572 to US$1 as last quoted by Bank Indonesia as of March 31, 2022 and 2021, respectively).
Capital stock	-	Historical rates
Revenue and expense accounts	-	Transaction date exchange rates

The resulting difference arising from the translations of the statement of financial position and statement of profit or loss and other comprehensive income accounts is presented as “Translation adjustment” under the equity section of the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PSAK 72.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company’s financial assets at amortized cost includes other current financial assets and other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company has no financial assets at fair value through OCI (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PSAK 50: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has no financial assets designated at fair value through OCI (equity investments).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and other comprehensive income.

The Company has no financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company’s statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade payables, other payables, accrued expenses, due to related parties, and other current financial liabilities.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

ii. Financial Liabilities (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PSAK 71. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PSAK 71 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Adoption of Amendments and Improvements to PSAK

The Company has adopted several amendments and improvements to PSAK and new ISAK that are mandatory for application effective April 1, 2021. The adoption of the following amendments and improvements to PSAK and new ISAK did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

- **Amendments to Statement of Financial Accounting Standards ("PSAK") 22: Definition of a Business**

  The amendment to PSAK 22 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

- **Amendments to PSAK 55, PSAK 60, PSAK 62, PSAK 71 and PSAK 73 – Interest Rate Benchmark Reform (Phase 2)**

  The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:
  a. A practical expedient to require contractual changes, or changes to cash flows that are directly required by the (interest rate benchmark) reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
  b. Permit changes required by interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
  c. Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

  These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

- **Amendments to PSAK 73: Leases - Covid-19 Related Rent Concessions After June 30, 2021**

  In light of the ongoing pandemic additional amendment was subsequently issued in March 2021 to extend the scope of the lease concession period, which is one of the conditions for applying the practical expedient, from June 30, 2021 in Covid-19 Related Rent Concessions - Amendments to PSAK 73: Leases issued in May 2020, to June 30, 2022.

  If a lessee already applied the practical expedient in the May 2020 amendment, it is required to continue to apply the practical expedient consistently, to all lease contracts with similar characteristics and in similar circumstances, using the March 2021 amendment. If a lessee did not apply the practical expedient in the May 2020 amendment to eligible lease concessions, it is prohibited from applying the practical expedient in the March 2021 amendment.

  The March 2021 amendment is to be applied retrospectively, recognizing the cumulative effect of initially applying that amendment as an adjustment to the opening balance of retained earnings at the beginning of the annual reporting period in which the lessee first applies the amendment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Adoption of Amendments and Improvements to PSAK (continued)

- **Amendments to PSAK 73: Leases - Covid-19 Related Rent Concessions After June 30, 2021**

However, the Company has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

- **2021 Annual Improvements**

The following summary provides information on the annual improvements of PSAKs that are effective for annual periods beginning on or after March 1, 2021. The annual improvements of PSAK are basically a set of narrow scope amendments that provide clarification so that there are no significant changes to existing principles or new principles.

a. PSAK 1: Presentation of Financial Statements, some changes regarding consideration made by management in the process of applying accounting policies that significantly affect the amounts they recognize in the financial statements.
b. PSAK 13: Investment Property, regarding disclosure of applying fair value model has been deleted.
c. PSAK 48: Impairment of Assets, regarding the scope of impairment of assets and deletion of the difference with IFRS in IAS 36 paragraph 04(a).
d. PSAK 66: Joint Arrangement, Regarding adjustments in paragraphs 25, PP11, PP33A(b) and its footnotes, C12 and C14 regarding reference to PSAK 71: Financial instruments.
e. ISAK 16: Service concession arrangement, regarding adjustment in several paragraphs in illustrative example to be consistent with PSAK 72: Revenue from Contracts with Customers.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company’s accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Indonesian rupiah. The Indonesian rupiah is the currency of the primary economic environment in which the Company operates and the currency that mainly influences revenue, costs and expenses.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Classification of Financial Assets and Financial Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 71.

Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2o.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and other current financial assets

The Company uses a provision matrix to calculate ECLs for trade receivables and other current financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and Assumptions (continued)

Estimation of Employee Benefits Liability

The determination of the Company’s employee benefits expense and employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include discount rates, future annual salary increases, annual employee turnover rate, disability rate, retirement age and mortality rate. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company’s actual experience or significant changes in the assumptions may materially affect the retirement expenses and defined benefit obligations.

Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 5 to 20 years. These are common life expectancies applied in the industry where the Company conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets and, therefore, future depreciation charges could be revised. The net carrying amounts of the Company’s fixed assets as of March 31, 2022 and 2021 amounted to Rp48,901,644,839 and Rp52,534,935,164, respectively. Further details are disclosed in Note 8.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

Determination of Fair Values of Financial Assets and Liabilities

When the fair value of financial assets and financial liabilities recorded or presented in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of the Company’s financial assets and liabilities are disclosed in Note 23 to the financial statements.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

4. CASH ON HAND AND IN BANKS

Cash on hand and in banks consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Cash on hand				
Rupiah	79,500,000	79,500,000	5,541	5,456
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	448,784,150	489,720,559	31,276	33,607
PT Bank Central Asia Tbk	8,813,971	8,787,609	614	603
PT Bank Mandiri (Persero) Tbk	1,000,000	1,405,731	70	96
PT Bank Maybank	-	112,544	-	8
Sub-total	458,598,121	500,026,443	31,960	34,314
U.S. dollar				
PT Bank Negara Indonesia (Persero) Tbk	642,031,797	533,028,448	44,744	36,579
PT Bank Internasional Indonesia	25,165,740	26,185,485	1,754	1,797
Sub-total	667,197,537	559,213,933	46,498	38,376
Total	**1,205,295,658**	**1,138,740,376**	**83,999**	**78,146**

5. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Materials and supplies	625,735,914	671,244,033	43,608	46,064
Beverages	259,705,874	269,854,160	18,099	18,519
Food	59,292,916	53,169,367	4,132	3,649
Boutique	49,389,284	60,091,662	3,442	4,124
Tobacco	388,030	799,909	28	54
Total	**994,512,018**	**1,055,159,131**	**69,309**	**72,410**

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2022 and 2021 since the inventories are fully usable.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

6. PREPAYMENTS AND ADVANCES

Prepayments and advances consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Prepaid insurance	1,226,470,935	1,202,578,164	85,474	82,527
Advance purchases	428,483,232	368,264,327	29,862	25,272
Prepaid others	90,587,605	88,836,452	6,313	6,096
Total	**1,745,541,772**	**1,659,678,943**	**121,649**	**113,895**

7. FIXED ASSETS - NET

The details of fixed assets - net are as follows:

	Year Ended March 31, 2022				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	74,385,157,981	648,353,000	-	-	75,033,510,981
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,751,224,243	-	-	-	11,751,224,243
Furniture, fixtures and equipment	16,168,600,036	-	-	-	16,168,600,036
Motor vehicles	1,477,743,500	-	-	-	1,477,743,500
Total Cost	114,412,976,183	648,353,000	-	-	115,061,329,183
Accumulated Depreciation					
Buildings	32,627,354,920	2,437,120,673	-	-	35,064,475,593
Structures and improvements	5,064,702,683	42,929,531	-	-	5,107,632,214
Machinery and equipment	9,326,245,105	587,172,279	-	-	9,913,417,384
Furniture, fixtures and equipment	13,592,158,982	1,140,363,344	-	-	14,732,522,326
Motor vehicles	1,267,579,329	74,057,498	-	-	1,341,636,827
Total Accumulated Depreciation	61,878,041,019	4,281,643,325	-	-	66,159,684,344
Net Book Value	**52,534,935,164**				**48,901,644,839**

	Year Ended March 31, 2021				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	73,155,467,982	944,845,001	-	284,844,998	74,385,157,981
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,751,224,243	-	-	-	11,751,224,243
Furniture, fixtures and equipment	16,154,110,036	14,490,000	-	-	16,168,600,036
Motor vehicles	1,477,743,500	-	-	-	1,477,743,500
Construction in progress	284,844,998	-	-	(284,844,998)	-
Total Cost	113,453,641,182	959,335,001	-	-	114,412,976,183
Accumulated Depreciation					
Buildings	30,225,412,841	2,401,942,079	-	-	32,627,354,920
Structures and improvements	5,021,773,153	42,929,530	-	-	5,064,702,683
Machinery and equipment	8,710,786,610	615,458,495	-	-	9,326,245,105
Furniture, fixtures and equipment	12,300,921,642	1,291,237,340	-	-	13,592,158,982
Motor vehicles	1,152,560,579	115,018,750	-	-	1,267,579,329
Total Accumulated Depreciation	57,411,454,825	4,466,586,194	-	-	61,878,041,019
Net Book Value	**56,042,186,357**				**52,534,935,164**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

7. FIXED ASSETS - NET (continued)

Year Ended March 31, 2022

Translations into U.S. Dollar - Unaudited (Note 2n)

	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	375,413	-	-	-	5,834	381,247
Buildings	5,104,664	45,403	-	-	79,113	5,229,180
Structures and improvements	354,085	-	-	-	5,504	359,589
Machinery and equipment	806,425	-	-	-	12,533	818,958
Furniture, fixtures and equipment	1,109,566	-	-	-	17,244	1,126,810
Motor vehicles	101,410	-	-	-	1,576	102,986
Total Cost	7,851,563	45,403	-	-	121,804	8,018,770
Accumulated Depreciation						
Buildings	2,239,049	169,750	-	-	34,890	2,443,689
Structures and improvements	347,564	2,990	-	-	5,403	355,957
Machinery and equipment	640,009	40,898	-	-	9,972	690,879
Furniture, fixtures and equipment	932,757	79,428	-	-	14,543	1,026,728
Motor vehicles	86,987	5,158	-	-	1,355	93,500
Total Accumulated Depreciation	4,246,366	298,224	-	-	66,163	4,610,753
Net Book Value	**3,605,197**					**3,408,017**

Year Ended March 31, 2021

Translations into U.S. Dollar - Unaudited (Note 2n)

	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	334,240	-	-	-	41,173	375,413
Buildings	4,469,693	68,924	-	17,400	548,647	5,104,664
Structures and improvements	315,253	-	-	-	38,832	354,085
Machinery and equipment	717,983	-	-	-	88,442	806,425
Furniture, fixtures and equipment	986,991	1,028	-	-	121,547	1,109,566
Motor vehicles	90,288	-	-	-	11,122	101,410
Construction in progress	17,400	-	-	(17,400)	-	-
Total Cost	6,931,848	69,952	-	-	849,763	7,851,563
Accumulated Depreciation						
Buildings	1,846,728	165,627	-	-	226,694	2,239,049
Structures and improvements	306,823	2,960	-	-	37,781	347,564
Machinery and equipment	532,216	42,439	-	-	65,354	640,009
Furniture, fixtures and equipment	751,567	89,038	-	-	92,152	932,757
Motor vehicles	70,419	7,931	-	-	8,637	86,987
Total Accumulated Depreciation	3,507,753	307,995	-	-	430,618	4,246,366
Net Book Value	**3,424,095**					**3,605,197**

The Company’s land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificate No.2 which is valid up to 2024. The management believes that the said titles of land right ownership that will expire from 2021 to 2024 can be renewed/extended.

Depreciation charged to operations amounted to Rp4,281,643,325 (US$298,224) and Rp4,466,586,194 (US$307,995) for the years ended March 31, 2022 and 2021, respectively. The Company’s fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies with total coverage amounting to US$26,850,000 (Rp385,270,784,250) and US$28,650,000 (Rp417,487,800,000) in 2022 and 2021, respectively. Further, the Company is also covered by insurance against business interruption under blanket policies with total coverage amounting to US$2,750,000 (Rp40,073,000,000) and US$2,750,000 (Rp45,009,250,000) in 2022 and 2021, respectively. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

7. FIXED ASSETS - NET (continued)

On November 22, 2019, the Company lodged an insurance claim with the insurers for loss of profit as well as for material damages under business interruption policy in relation to the impact of damages of earthquake in August 2018 which caused the closure of hotel operations for renovations from August 2018 to June 2019. The Company received the approvals of claims on July 17, 2020 for an aggregate coverage amounting to Rp17,302,740,224 which were fully collected as of March 31, 2021.

Approved claims from insurance amounting to Rp17,302,740,224 as of March 31, 2021, are recorded as gains on insurance presented under “Other operating income - net” in the statement of profit or loss and other comprehensive.

As of March 31, 2022 and 2021, the management believes that there is no impairment in the value of the Company’s fixed assets.

8. TRADE PAYABLES

This account consists mainly liabilities to Hotel’s suppliers of goods and services amounting to Rp761,286,185 (US$53,055) and Rp261,375,898 (US$17,937) as of March 31, 2022 and 2021.

9. OTHER PAYABLES

This account consists of payables for:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Related Party (Note 12)				
Marketing and sales promotion expenses	26,516,468	-	1,848	-
Third Parties				
General reserve	33,860,797	57,607,501	2,360	3,953
Others	195,090,177	257,347,474	13,595	17,661
Subtotal	228,950,974	314,954,975	15,955	21,614
Total	**255,467,442**	**314,954,975**	**17,804**	**21,614**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

10. TAXATION

a. Taxes payable consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Development tax I	91,233,797	98,906,854	6,358	6,787
Income tax				
Article 21	25,923,712	25,683,693	1,807	1,763
Article 23	66,447,586	48,911,939	4,631	3,357
Article 26	1,374,800	2,460,400	95	168
Total	**184,979,895**	**175,962,886**	**12,891**	**12,075**

b. The reconciliation between the estimated tax expense computed by multiplying the income (loss) before income tax by the applicable tax rate and income tax expense (benefit) as shown in the statement of profit or loss and other comprehensive income is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Income (loss) before income tax	(15,450,784,226)	6,446,959,834	(1,103,039)	238,564
Estimated tax expense based on prevailing tax rate	(3,399,172,530)	1,418,331,163	(242,669)	52,484
Net permanent differences at the applicable tax rate	111,308,739	114,758,791	5,395	7,881
Tax effect on changes in tax rate	355,074,604	(3,752,376,618)	24,742	(257,506)
Tax losses carry forward utilization	-	(1,323,096,047)	-	(90,797)
Unrecognized deferred tax assets - net	4,092,564,321	-	285,177	-
Translation adjustment	-	-	8,181	48,202
Income tax expense (benefit)	**1,159,775,134**	**(3,542,382,711)**	**80,826**	**(239,736)**

c. As of March 31, 2022 and 2021, deferred tax assets - net consists of:

	Indonesian Rupiah				
		Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2021	Profit or Loss	Effect of Changes in Tax Rate	Other Comprehensive Income	March 31,2022
Deferred Tax Assets					
Reserve for replacement of furniture, fixtures and equipment	1,536,323,615	-	-	-	1,536,323,615
Employee benefit	869,937,078	-	-	-	869,937,078
Total deferred tax assets	**2,406,260,693**	**-**	**-**	**-**	**2,406,260,693**
Deferred Tax Liability					
Depreciation and amortization - net	1,104,388,863	(1,275,524,771)	115,749,637	-	(55,386,271)
Net deferred tax assets	**3,510,649,556**	**(1,275,524,771)**	**115,749,637**	**-**	**2,350,874,422**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

10. TAXATION (continued)

c. As of March 31, 2022 and 2021, deferred tax assets - net consists of: (continued)

	Translations into U.S. dollar - Unaudited (Note 2n)					
	Deferred tax Benefit (Expense) Credited (Charged) to					
	April 1, 2021	Profit or Loss	Effect of Changes in Tax Rate	Other Comprehensive Income	Translation adjustment	March 31,2022
Deferred Tax Assets						
Reserve for replacement of furniture, fixtures and equipment	105,430	-	-	-	1,638	107,068
Employee benefit	59,699	-	-	-	928	60,627
Total deferred tax assets	**165,129**	**-**	**-**	**-**	**2,566**	**167,695**
Deferred Tax Liability						
Depreciation and amortization - net	75,788	(88,881)	8,066	-	1,167	(3,860)
Net deferred tax assets	**240,917**	**(88,881)**	**8,066**	**-**	**3,733**	**163,835**

	Indonesian Rupiah			
	Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2020	Profit or Loss	Other Comprehensive Income	March 31,2021
Deferred Tax Assets				
Depreciation and amortization - net	-	1,104,388,863	-	1,104,388,863
Employee benefit	-	859,622,422	10,324,656	869,937,078
Total deferred tax assets	**-**	**1,964,011,285**	**10,324,656**	**1,974,325,941**
Deferred Tax Liability				
Reserve for replacement of furniture, fixtures and equipment	(42,047,811)	1,578,371,426	-	1,536,323,615
Net deferred tax assets	(42,047,811 **)**	**3,542,387,211**	**10,324,6656**	**3,510,649,556**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

10. TAXATION (continued)

c. As of March 31, 2022 and 2021, deferred tax assets - net consists of: (continued)

	Translations into U.S. dollar - Unaudited (Note 2n)				
		Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2020	Profit or Loss	Other Comprehensive Income	Translation adjustment	March 31,2021
Deferred Tax Assets					
Depreciation and amortization - net	-	75,788	-	-	75,788
Employee benefit	-	58,991	708	-	59,699
Total deferred tax assets	**-**	**134,779**	**708**	**-**	**135,487**
Deferred Tax Liability					
Reserve for replacement of furniture, fixtures and equipment	(2,569)	108,315	-	(316)	105,430
Net deferred tax assets	**(2,569)**	**243,094**	**708**	**(316)**	**240,917**

As of March 31, 2022, deferred income tax assets have not been recognized on accumulated tax loss carry-forward amounting to Rp4,283,197,032 (US$298,460) as management believes that it is not probable that the Company will have sufficient future taxable profits against which these items can be utilized.

d. On March 30, 2017, the Company submitted a list of fixed asset items not yet registered in the Company's tax report up to 2015 to be administered under the tax amnesty program of the tax authority. These assets are in the form of antiques and paintings worth Rp385,000,000. The Company received the approval for tax amnesty program application from the Ministry of Finance in its decision letter dated April 25, 2018. As of March 31, 2022 and 2021, the tax amnesty assets as approved were recorded as a separate line item in the statement of financial position.

The movements of the tax amnesty assets are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Balance as approved by tax authority	385,000,000	385,000,000	28,902	28,902
Accumulated depreciation	(357,133,333)	(280,133,333)	(27,069)	(19,563)
Translation adjustment	-	-	109	(2,143)
Net book value	**27,866,667**	**104,866,667**	**1,942**	**7,196**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

11. ACCRUED EXPENSES

The details of accrued expenses due to third parties are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Professional fees	973,916,513	723,519,390	67,873	49,651
Salaries and allowance	589,954,504	540,052,446	41,115	37,061
Utilities	221,223,134	91,558,608	15,417	6,283
Human resources	168,330,802	372,747,351	11,731	25,580
Repairs and maintenance	152,830,821	184,811,186	10,651	12,683
Marketing	60,442,635	203,816,165	4,212	13,987
Others	728,648,288	874,654,182	50,781	60,022
Total	**2,895,346,697**	**2,991,159,328**	**201,780**	**205,268**

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Due to related parties				
EIH Holdings Ltd.	36,906,173,692	24,947,818,173	2,572,038	1,712,038
PT Widja Putra Karya	23,045,181	-	1,606	-
Total	**36,929,218,873**	**24,947,818,173**	**2,573,644**	**1,712,038**
Other payables: (Note 10)				
EIH Holdings Ltd.	26,516,468	-	1,848	-

For the years ended March 31, 2022 and 2021, the Company received funds from EIH Holdings, Ltd. to support its operations and for working capital requirements amounting to US$860,000 (Rp12,337,260,000) and US$325,041 (Rp4,736,500,000) respectively.

The Company also received funds and operating expenses support from PT Widja Putra Karya amounting to Rp23,045,182 and Rp1,548,750 for the years ended March 31, 2022 and 2021, respectively.

Salaries and wages of the Company's key management personnel amounted to Rp244,552,110 (US$17,008) and Rp396,947,453 (US$27,251) in 2022 and 2021, respectively (unaudited).

In the normal course of its business, the hotel has entered into transactions with related parties as follows:

Related parties	Nature of relationships	Type of transactions
PT Widja Putra Karya	Entity under common control	Intercompany advances and share in proceeds from sale of vacation packages, operating expenses
EIH Holdings Ltd.	Parent company	Management fee, payable to finance hotel operations, and international sales promotion

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

13. RESERVE FOR REPLACEMENT OF FURNITURE, FIXTURES AND EQUIPMENT

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Balance at beginning of year	7,681,618,077	7,777,372,077	527,149	475,186
Provision during the year (Note 20)	26,516,468	-	1,848	-
Utilization of reserve	(750,432,050)	(95,754,000)	(52,228)	(6,586)
Translation adjustment	-	-	8,122	58,549
Balance at end of year	**6,957,702,495**	**7,681,618,077**	**484,891**	**527,149**

14. OTHER CURRENT FINANCIAL LIABILITIES

This account pertains to guest deposits from customers and travel agents amounting to Rp650,289,368 (US$45,319) and Rp722,420,128 (US$49,576) as of March 31, 2022 and 2021, respectively.

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The Company's long-term employee benefits liability consists only of post-employment benefits.

On February 2, 2021, the Government promulgated Government Regulation Number 35 Year 2021 (PP 35/2021) to implement the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja), which aims to create the widest possible employment opportunities. PP 35/2021 regulates the work agreement for a certain period (non-permanent employees), outsourcing, working time, rest time and termination of employment, which can affect the minimum benefits that must be provided to employees. The Company has evaluated the impact and has calculated the employee benefits liability as of March 31, 2022 in line with PP35/2021. Management believes that the balance of employee benefits liability is sufficient to cover the minimum benefits required under the Law.

The following tables summarize the components of employee benefit expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the statement of financial position as employee benefits liability as of March 31, 2022 and 2021 as determined by KKA Herman Budi Purwanto, an independent actuary, in their reports dated March 31, 2022 and March 31, 2021, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2022 and 2021, are as follows:

Discount rate	: 7.60 % in 2022 and 7.82% in 2021
Annual salary increase	: 8.50% per annum in 2022 and 8.00% per annum 2021
Mortality	: TMI IV in 2022 and 2021
Retirement age	: 58 years old in 2022 and 57 years old in 2021
Disability rates	: 10% of TMI IV in 2022 and 2021

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY (continued)

a. The employee benefits expense recognized in the statement of profit or loss and other comprehensive income consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar-Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Past service cost	-	(1,302,441,500)	-	(89,380)
Current service cost	244,256,892	236,578,132	19,406	16,235
Interest cost	317,588,741	326,004,708	25,232	22,372
Employee benefit expense	**561,845,633**	**(739,858,659)**	**44,638**	**(50,773)**

b. Details of employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Present value of defined benefits obligation	**4,374,828,445**	**4,343,771,288**	**304,887**	**298,090**

c. Movements in employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Beginning balance	4,343,771,288	5,036,745,145	298,090	307,738
Provision during the year	561,845,633	(739,858,659)	44,638	(50,773)
Payment during the year	(282,534,198)	-	(19,720)	-
Actuarial loss (gain) due from:				
Experience adjustment	(556,290,561)	(422,868,392)	(38,769)	(25,837)
Changes in financial assumption	308,036,283	(44,927,059)	21,468	(2,745)
Change in demographic assumption	-	514,680,253	-	42,097
Translation adjustment	-	-	(820)	27,610
Ending balance	**4,374,828,445**	**4,343,771,288**	**304,887**	**298,090**

d. The expected total undiscounted pension benefit payments in Indonesian rupiah for the subsequent years are as follows:

Within the next 12 months (the next annual reporting year)	:	-
Between 1 and 2 years	:	445,459,841
Between 2 and 3 years	:	98,568,362
Between 3 and 4 years	:	-
Between 4 and 5 years	:	763,823,136
Beyond 5 years	:	38,959,692,891

The average duration of the long-term employee benefits liability is 16.30 years.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

15. LONG-TERM EMPLOYEE BENEFITS LIABILITY (continued)

e. The effect of a one-percentage point change in discount rate and salary increase rate on long-term employee benefits liability for the year ended March 31, 2022 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Discount Rate	**Salary Rate**	**Discount Rate**	**Salary Rate**
Increase by 1%	(370,527,910)	415,563,834	(25,823)	28,961
Decrease by 1%	426,783,003	(367,952,070)	29,743	(25,643)

16. CAPITAL STOCK

The shares ownership details as of March 31, 2022 and 2021 are as follows:

Series A

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2n)
EIH Holdings Ltd.	73,789	57.03	13,282,020,000	6,530,000
EIH International Ltd.	33,900	26.20	6,102,000,000	3,000,000
PT Waka Gae Selaras	21,696	16.77	3,905,280,000	1,920,000
Total	**129,385**	**100.00**	**23,289,300,000**	**11,450,000**

Series B

EIH Holdings Ltd.	461,359	100.00	346,019,250,000	26,016,500
Total	**461,359**	**100.00**	**346,019,250,000**	**26,016,500**

Summary

	Share series	Number of Shares Issued and Fully paid	Percentage of Ownership	Amount	Translation into U.S. Dollar- Unaudited (Note 2n)
EIH Holdings Ltd.	Series A	73,789	12.49	13,282,020,000	6,530,000
EIH International Ltd.	Series A	33,900	5.74	6,102,000,000	3,000,000
PT Waka Gae Selaras	Series A	21,696	3.67	3,905,280,000	1,920,000
EIH Holdings Ltd.	Series B	461,359	78.10	346,019,250,000	26,016,500
Total		**590,744**	**100.00**	**369,308,550,000**	**37,466,500**

On September 7, 2019, the shareholders approved the transfer of 8,757 series A shares in the Company from PT Waka Gae Selaras (WGS) to EIH Holdings, Ltd., (EIHH) and the transfer of 46,135 series B shares in the Company from EIHH to PT WGS. As of report date, the transfer has not yet been executed.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

17. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Room department				
Pavillion	378,901,736	-	26,421	-
Villa	363,862,691	-	25,372	-
Sub-total	742,764,427	-	51,793	-
Food and beverages department				
Food	130,182,604	-	9,092	-
Beverages	8,579,818	-	599	-
Sub-total	138,762,422	-	9,691	-
Other operating departments				
Health spa	1,740,000	-	121	-
Laundry	417,083	-	29	-
Sub-total	2,157,083	-	150	-
Others	198,348	-	14	-
Total	**883,882,280**	**-**	**61,648**	**-**

18. COST OF REVENUES

The details of cost of revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Food and beverage	46,569,269	-	3,250	-
Other operating departments	48,428	-	4	-
Payroll and related expenses:				
Salaries and wages	1,757,989,480	1,864,732,010	122,476	128,467
Employee benefits	1,229,278,503	327,603,768	85,642	22,708
Other expenses:				
Security	386,298,313	349,641,340	26,912	24,152
Cleaning and guest supplies	70,343,832	15,000,287	4,903	1,031
Telephone and communication	52,053,508	55,541,733	3,628	3,824
Health club	34,557,810	34,152,937	2,410	2,376
Linens and uniforms	33,757,576	3,455,504	2,353	239
Kitchen fuel	28,033,171	59,508,706	1,954	4,110
Welcome drinks, fruit baskets, and amenities	23,186,959	-	1,616	-
Loss and damages	10,970,971	1,818,783	765	126
Decoration	8,702,000	38,000	606	3
Cable television and music	7,550,000	-	526	-
Transportation and travel	4,078,430	1,938,000	284	134
Travel agents	-	-	-	-
Others	152,993,627	111,696,740	10,666	7,713
Total	**3,846,411,877**	**2,825,127,808**	**267,995**	**194,883**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

19. GENERAL AND ADMINISTRATIVE EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Salaries and wages	1,027,242,237	1,012,858,020	71,559	70,150
Employee benefits	433,734,167	223,719,096	30,214	18,854
Consultant and audit fees	461,364,249	184,104,695	32,139	12,751
Insurance	192,665,373	188,674,993	13,421	13,068
Transportation and travel	82,939,950	53,875,852	5,778	3,731
Telephone and communication	70,520,176	82,833,977	4,913	5,728
Licenses and taxes	28,000,000	-	1,951	-
Bank charges	17,190,842	36,553,288	1,198	2,491
Printing and stationery	10,097,442	7,496,780	703	519
Commission on credit cards	-	957,349	142	57
Others	241,976,470	164,830,964	16,714	8,167
Total	**2,565,730,906**	**1,995,905,014**	**178,732**	**135,516**

20. PROPERTY OPERATIONS, MAINTENANCE AND ENERGY EXPENSES

The details of property operations, maintenance and energy expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Repairs and maintenance	1,157,953,562	697,095,239	80,672	48,150
Electricity	649,341,262	418,919,170	45,253	28,910
Supplies	462,795,559	113,400,000	32,244	7,844
Salaries and wages	383,618,101	278,875,562	26,727	19,313
Fuel	139,194,210	43,418,162	9,700	2,997
Water	127,128,109	106,373,600	8,860	7,341
Provision for replacement of furniture fixtures and equipment (Note 13)	26,516,468	-	1,848	-
Others	42,970,693	11,814,692	2,993	817
Total	**2,989,517,964**	**1,669,896,425**	**208,297**	**115,372**

21. MARKETING EXPENSES

The details of marketing expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Advertising and promotion	177,911,681	198,956,274	12,379	13,909
Sales promotion expenses (Note 25)	26,516,468	-	1,848	-
Others	143,751,253	168,812,062	10,003	11,802
Total	**348,179,402**	**367,768,336**	**24,230**	**25,711**

22. OTHER INCOME

In the last quarter of 2020, the Central Government identified hotels and restaurants to receive tourism grants through the Decree (SK) of the Regent of Badung number 67/054/HK/2020 according to the technical instructions from the Tourism Ministry, the amount of which will be calculated by the government based on the tax contribution subject to certain ceiling. In December 2020, the Company received cash grant from the government amounting to Rp298,686,685 (US$21,109) for operating expenditures. The Company has fully utilized the grant and has no excess grant to be returned to the government. Remaining amount pertains to interest from bank related to the cash grant.

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company has various financial assets such as cash on hand and in banks, other current and non-current financial assets which arise directly from the Company's operations.

The Company's principal financial liabilities consist of trade payables, other payables, accrued expenses, due to related parties and other current financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

The carrying values of the Company's financial assets and liabilities approximate their fair values as of March 31, 2022 and 2021.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Current financial assets and liabilities:

- Current financial instruments with remaining maturities of one year or less (cash on hand and in banks, other current financial assets, trade payables, other payables, accrued expenses, due to related parties, and other current financial liabilities)

  The carrying values of the Company's current financial assets and liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

Non-current financial asset:

- Long-term financial assets (other non-current financial assets)

  The fair values of other non-current financial assets are assumed to be the same as the cash amount that will be received due to the fact that the maturity of such financial assets is not stated in related contract and the management is not yet able to determine when the financial assets will be realized.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

The main risks arising from the Company's financial instruments are foreign exchange rate risk, credit risk and liquidity risk. The Company's Board of Directors reviews and approves the policies for managing these risks which are summarized below.

a. Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations results primarily from its U.S. dollar-denominated cash in banks, trade receivables, other payables and loan payable.

The Company's policies are to minimize the risk arising from the foreign exchange rate by monitoring its fluctuations and maintaining an adequate level of cash in banks and long-term bank loan in U.S. dollar. To the extent the Indonesian rupiah depreciates further from the exchange rates in effect at March 31, 2022, the Company's loan payable increases in Indonesian rupiah terms. However, the increase in this obligation will be offset in part by the increase in the value of its U.S. dollar-denominated cash in banks.

	Amount in Foreign Currency		Rupiah Equivalent
Assets			
Cash on hand and in banks	US$	46,498	667,197,537
Liabilities			
Due to related parties	US$	2,572,038	36,906,173,692
Net Liabilities			**(36,238,976,155)**

b. Credit Risk

Credit risk arises when one party to a financial asset or liability fails to discharge an obligation and causes the Company to incur a financial loss. The Company manages and controls this credit risk by setting limits on the amount of risk it is willing to accept for individual customers and by monitoring exposures in relation to such limits. The maximum exposure of the financial instruments to credit risk is equal to the carrying values as disclosed in Note 23.

With respect to credit risk arising from financial assets, primarily cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

The table below shows the maximum exposure to credit risk for the Company's financial assets without taking into account any collateral and other credit enhancements:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2022	2021	2022	2021
Current Financial Assets				
Cash in banks	1,125,795,658	1,059,240,376	78,458	72,690
Other current financial assets	14,901,618	28,873,592	1,038	1,981
Total Financial Assets	**1,140,697,276**	**1,088,113,968**	**79,496**	**74,671**

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Management (continued)

c. Liquidity Risk

Liquidity risk is defined as the risk when the cash flow position of the Company indicates that the short-term revenues are not enough to cover its short-term expenditures. The Company's liquidity risk mainly arises from the repayment of its payable to EIH as of March 31, 2022 and 2021 which was due within a year. As of March 31, 2022, the Company's current liabilities exceed its current assets by Rp52,594,542,021 (see item "d" section below).

d. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy cash flows in order to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital or issue new shares.

The Company reported net loss of Rp16,362,305,082 (US$1,120,342) for the year ended March 31, 2022 resulting in deficit and equity of Rp366,587,384,369 (US$31,141,482) and Rp2,358,132,594 (US$164,343) respectively. The Company's total current liabilities exceeded its total current assets by Rp44,674,039,889 (US$3,113,388) as of March 31, 2022.

The outbreak of COVID-19 pandemic had severely impacted the travel and hospitality sectors worldwide including the Indonesian tourism tourism sector in the last two years. The losses incurred by the Company were mainly due to hotel closure starting March 31, 2020 because of the pandemic.

The Oberoi, Lombok resumed hotel operations on 18th March, 2022 after the international borders were re-opened by Indonesian government. The hotel has been receiving group bookings from domestic business in March'22 connected with Mandalika 2022 MotoGP race. The hotel will continue to focus on catering to the domestic market through local marketing agencies. Complete lifting of international airline travel restrictions are expected in a phased manner during the year with business conditions gradually improving from July 2022 onwards.

During the period when the hotel was closed, the Company had undertaken several cost-cutting measures including human resources shifting, contracts assessments, utilities and housekeeping reduction, suspension of services not required, suspension of sales representation and sales travel. The business conditions will be monitored carefully and appropriate cost rationalization measures will continue throughout the year.

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 96.33% shareholdings in the Company, have provided a written confirmation on its intention and ability to provide financial support if and when required by the Company to allow it to continue as a going concern entity.

As of the completion date of the financial statements, the probability of the success of the Company's continuing efforts will still be affected by some uncontrollable factors including uncertainty in the extent and duration of the impact of COVID-19.

The financial statements have been prepared assuming that the Company will continue as a going concern entity. The financial statements did not include any adjustment that might result from these uncertainties.

25. SIGNIFICANT AGREEMENT

The Company entered into a Hotel Operation Agreement with EIH Management Services B.V. (the Operator) to manage and operate the Hotel effective December 31, 1998. On July 24, 2000, the Company signed a Renewal Agreement whereby the original term was extended until April 14, 2034 with operator having automatic rights of approval for another 20 years. The assignment of EIH Management Services B.V as the hotel operator was also transferred to EIH Holdings Ltd. with all terms and conditions retained.

The Operator has automatic and irrevocable options to extend the Agreement for another 20 years. Under the agreement, the Hotel Operator is entitled to a fee of 12.5% of the total gross operating profit. Also, under the agreement, the Hotel Operator is entitled to pay out of the gross operating revenue and as part of gross operating expenses, an amount equal to 3% of the Hotel gross operating revenue for marketing and sales promotion expenses. Any loss incurred by the Hotel in any financial year shall be borne exclusively by the Company.

26. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS

The accounting standards that have been issued up to the date of issuance of the Company’s financial statements, but not yet effective are disclosed below. The management intends to adopt the standards that are considered relevant to the Company when they become effective. The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

- **Effective beginning on or after April 1, 2022**

  a. Amendments to PSAK 22: Business Combinations - Reference to Conceptual Frameworks

  These amendments clarify the interactions between PSAK 22, PSAK 57, ISAK 30 and the Conceptual Framework of Financial Reporting.
  In general, the amendments to PSAK 22:
  - Add a description regarding “liabilities and contingent liabilities within the scope of PSAK 57 or ISAK 30”.
  - Clarifying the contingent liabilities recognized at the acquisition date.
  - Adds definition of a contingent asset and its accounting treatment.

  These amendments will become effective on April 1, 2022 with earlier application permitted and are not expected to have any impact to the financial reporting of the Company upon first-time adoption.

26. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS (continued)

- **Effective beginning on or after April 1, 2022 (continued)**

b. Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets - Onerous Contract Fulfillment Costs

These amendments provide that costs to fulfill an onerous contract consist of costs that are directly related to the contract, which consist of:

1. incremental costs to fulfill the contract, and
2. allocation of other costs that are directly related to fulfilling the contract.

Amendments to PSAK 57 are effective on April 1, 2022 with earlier application permitted and are not expected to have any impact to the financial reporting of the Company upon first-time adoption.

c. 2020 Annual Improvements – PSAK 71: Financial Instruments

The amendment clarifies the fees that an entity includes when assessing whether the modified terms of a financial liability required derecognition of the original financial liability and recognition of a new financial liability. These fees include only those 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.

The amendment is effective for annual reporting periods beginning on or after April 1, 2022 with earlier adoption permitted but not expected to have any impact to the financial reporting of the Company upon first-time adoption.

d. 2020 Annual Improvements - PSAK 73: Leases

The amendment to Illustrative Example 13 accompanying PSAK 73 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after April 1, 2022 with earlier adoption permitted but not expected to have any impact to the financial reporting of the Company upon first-time adoption.

e. Amendments to PSAK 16: Fixed Assets - Proceeds before Intended Use

The amendments prohibit entities to deduct from the cost of an item of fixed assets, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in the profit or loss.

26. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS (continued)

- **Effective beginning on or after April 1, 2022 (continued)**

e. Amendments to PSAK 16: Fixed Assets - Proceeds before Intended Use (continued)

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the financial reporting of the Company.

f. Amendments to PSAK 1: Presentation of Financial Statements – Classification of a Liability as current or non-current

The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- what is meant by a right to defer settlement,
- the right to defer must exist at the end of the reporting period,
- classification is not affected by the likelihood that an entity will exercise its deferral right, and
- only if an embedded derivative in a convertible liability is an equity instrument would the terms and conditions of a liability will not impact its classification.

The amendments are effective for annual reporting periods beginning on or after April 1, 2023 and shall be applied retrospectively. The amendments are not expected to have a material impact on the financial reporting of the Company.

g. Amendment of PSAK 1: Presentation of financial statement - Disclosure of accounting policies

This amendment provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendment is effective on or after 1 January 2023 with earlier application permitted. The Company is currently assessing the impact of the amendment to determine the impact they will have on the Company’s accounting policy disclosures.

h. Amendment of PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendment introduces a definition of ‘accounting estimates’ and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

26. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS (continued)

- **Effective beginning on or after April 1, 2023 (continued)**

h. Amendment of PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (continued)

The amendment is effective on or after April 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The Company is currently assessing the impact of the amendment to determine the impact they will have on the Company's financial reporting.

i. Amendment of PSAK 46: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment proposes that entities recognize deferred tax assets and liabilities at the time of initial recognition, for example from a lease transaction, to eliminate differences in current practice for such transactions and similar transactions.

The amendment is effective for annual reporting periods beginning on or after January 1, 2023 with early adoption permitted. The Company is currently assessing the impact of the amendment to determine the impact they will have on the Company's financial reporting.

j. PSAK 74: Insurance Contracts

A comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, upon its effective date, PSAK 74 will replace PSAK 62: Insurance Contracts. PSAK 74 applies to all types of insurance contracts, life, non-life, direct insurance and re-insurance, regardless of the entities issuing them, as well as to certain guarantees and financial instruments with discretionary participation features, while a few scope exceptions will apply. The overall objective of PSAK 74 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

PSAK 74 is effective for reporting periods beginning on or after April 1, 2025, with comparative figures required. Early application is permitted, provided the entity also applies PSAK 71 and PSAK 72 on or before the date of initial application of PSAK 74. This standard is not expected to have any impact to the financial reporting of the Company upon first-time adoption.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

27. EVENTS AFTER REPORTING PERIOD

In accordance with Tax Regulations Harmonization Law, the general VAT rate changed from 10% to 11% effective on April 1, 2022. Subsequently, this shall increase to 12% effective on January 1, 2025.

28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities for the years ended March 31, 2022 and 2021 are as follows:

	Year Ended March 31, 2022				
	Beginning Balance	**Cash flows**	**Foreign Exchange**	**Others**	**Ending Balance**
Due to related parties	**24,947,818,173**	**12,360,305,182**	**(378,904,482)**	**-**	**36,929,218,873**

	Year Ended March 31, 2021				
	Beginning Balance	**Cash flows**	**Foreign Exchange**	**Others**	**Ending Balance**
Due to related parties	**30,816,108,440**	**(2,872,992,003)**	**(2,995,298,264)**	**-**	**24,947,818,173**