

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MASHOBRA RESORT LIMITED
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of **MASHOBRA RESORT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 3(ii) to the financial statements, which describes the effects of the order of the Division Bench of Hon'ble High Court of Himachal Pradesh, dated 13 October, 2022, on the financial statements of the Company for the year ended March 31, 2023.

Our opinion is not modified in respect of this matter.

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements. Also refer Note 3(ii) to the financial statements which describes the outcome of litigation and the effects of the order of the Division Bench of Hon'ble High Court of Himachal Pradesh, dated 13 October, 2022;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 31(B) to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 44 to the financial statements.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 48(7) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 48(8) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 23093474BGYFGQ8854)

Place: Gurugram
Date:

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **MASHOBRA RESORT LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership No. 93474)

(UDIN: 23093474BGYFGQ8854)

Place: Gurugram

Date:

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

- (i)(a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (i)(b) The Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification at reasonable intervals and no material discrepancies were noticed on such verification.
- (i)(c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the conveyance deed provided to us, we report that, the title deed of such immovable properties are not held in the name of the Company, as mentioned below and as indicated in Note 3(ii) to the financial statements, the Company has filed an execution petition with the Hon’ble High Court of Himachal Pradesh for implementation of the Arbitral Award:

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross carrying value (INR Million)	Carrying value in the financial statements (INR Million)				
Freehold land of Wildflower Hall located at Shimla admeasuring 77,471 sq. mtrs	74.41	74.41	Mashobra Resort Private Limited (See remarks)	No	February 6, 1997	The Company’s building is situated on a land which has been classified as freehold, based on the conveyance deed dated February 6, 1997. The conveyance deed was executed pursuant to a Joint Venture Agreement(“ the Agreement”) dated October 30, 1995 between the Government of Himachal Pradesh and EIH Limited, the Holding Company pursuant to which the Company was established for setting up and running the Hotel. The conveyance deed was signed when the name of the company was Mashobra Resort Private Limited. Later the word private was deleted and the company was converted into a public company under section 43-A(1) of the Companies Act, 1956 w.e.f March 22, 1997 vide order dated July 1, 1997.

						<p>The Government of Himachal Pradesh, from whom the land was acquired had terminated the said Agreement for alleged non fulfilment of its terms by EIH Limited and sought to take consequential actions pursuant thereto. The matter was disputed before an arbitrator appointed by the Hon'ble High Court of Himachal Pradesh who rendered an award on July 23, 2005. The Arbitral Award required, amongst other things, the execution of the lease deed for the said land between the Company and the Government of Himachal Pradesh.</p> <p>Being aggrieved by the Arbitral Award, the Company and EIH Limited, challenged the award, firstly before the Single Judge and then the Division Bench of the Hon'ble High Court of Himachal Pradesh. The Division Bench of Hon'ble High Court of Himachal Pradesh vide its order dated October 13, 2022 has upheld the Arbitral Award dated July 23, 2005.</p> <p>Consequently, the Company's intention to implement the Arbitral Award was communicated to the Government of Himanchal Pradesh vide letter dated October 18, 2022 and execution petition was filed with the Hon'ble High Court of Himachal Pradesh on March 28, 2023.</p> <p>The cancellation of conveyance deed will be carried out upon the finalisation of the terms of the lease and execution of the lease deed. [Refer note 3(ii) to the financial statements]</p>
Buildings constructed on the above mentioned Freehold land of Wildflower Hall located at Shimla	401.83	345.66	See remarks	No	Refer note below	<p>Pursuant to the purchase of land, the Company built the hotel building of 85 rooms out of which no objection certificate for 28 rooms was received by the Company from the Town & Country Planning Department, Government of Himanchal Pradesh. The completion certificate for the balance rooms was not received by the Company and this matter amongst others was disputed before an arbitrator appointed by the Hon'ble High Court of Himachal Pradesh who rendered an award on July 23, 2005. Being aggrieved by the Arbitral Award, the Company and EIH Limited, challenged the</p>

						<p>award, firstly before the Single Judge and then the Division Bench of the Hon'ble High Court of Himachal Pradesh. The Division Bench of Hon'ble High Court of Himachal Pradesh vide its order dated October 13, 2022 has upheld the Arbitral Award dated July 23, 2005.</p> <p>Consequently, the Company's intention to implement the Arbitral Award was communicated to the Government of Himanchal Pradesh vide letter dated October 18, 2022 and execution petition was filed with the Hon'ble High Court of Himachal Pradesh on March 28, 2023. The Company continues to keep 30% of the Room Revenue in respect of the balance 57 rooms out of 85 rooms which are pending registration by the authorities under The Himachal Pradesh Registration of Tourist Trade Act, 1988 pursuant to the Arbitral Award, in fixed deposits and current account with a Nationalised Bank. Refer note 3(ii) to the financial statements</p>
--	--	--	--	--	--	---

Note: Includes additions (net of deletions) from the date of execution of the conveyance deed, upto the year ended March 31, 2023.

- (i)(d) The Company has not revalued any of its property, plant, and equipment (including right-of-use assets) and intangible assets during the year.
- (i)(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (ii)(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii)(a) In respect of statutory dues:

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

We have been informed that the operations of the Company did not give rise to any liability of Sales Tax, Service Tax, duty of Excise and Value Added Tax during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess, and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (vii)(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period	Amount unpaid (INR Million)
Himachal Pradesh Tax on Luxuries (in Hotels and Lodging Houses) Rules, 1979	Luxury Tax	Deputy Excise & Taxation Commissioner-Cum-Assessing Authority	2013-2014 to 2015-2016	10.12*

* Net of INR Nil paid under protest

There are no statutory dues of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues which have not been deposited on account of disputes as on 31 March, 2023.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (ix)(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (ix)(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (ix)(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x)(a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (x)(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi)(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (xi)(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business. According to the information and explanation given to us, the Company is, however not required to have an internal audit system as per the provisions of the Companies Act 2013.

- (xiv)(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group has more than one CIC as part of the group. There are 2 CIC forming part of the group.
- (xvii) The Company has incurred cash losses amounting to INR 356.49 million in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Alka Chadha
Partner
(Membership No. 93474)
(UDIN: 23093474BGYFGQ8854)

Place: Gurugram
Date:

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Balance Sheet as at March 31, 2023

		Rupees in Million	
Note No	As at March 31, 2023	As at March 31, 2022	
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	491.52	501.76
(b) Right-of-use assets	4	-	0.09
(c) Capital work-in-progress	5(i)	2.96	0.47
(d) Intangible assets	5(ii)	0.07	0.15
(e) Financial assets			
(i) Other financial assets	6 (i)	1.22	1.22
(f) Deferred tax assets (net)	7	19.27	-
(g) Tax assets (net)	8	75.90	14.66
(h) Other non-current assets	9	1.35	1.80
Total non-current assets		592.29	520.15
Current assets			
(a) Inventories	10	35.57	31.37
(b) Financial assets			
(i) Trade receivables	11	22.36	18.51
(ii) Cash and cash equivalents	12	68.97	51.23
(iii) Other bank balances	13	2,184.43	1,878.71
(iv) Other financial assets	6 (ii)	7.58	3.65
(c) Other current assets	14	9.81	14.04
Total current assets		2,328.72	1,997.51
Total Assets		2,921.01	2,517.66
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	330.00	330.00
(b) Other equity	16	397.08	701.98
Total Equity		727.08	1,031.98
Advance towards equity	17	1,361.93	1,361.93
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18(i)	-	5.00
(ii) Lease liabilities	39	-	-
(b) Provisions	19	2.42	3.13
(c) Deferred tax liabilities (net)	7	-	54.66
Total non-current liabilities		2.42	62.79
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	18(ii)	5.00	-
(ii) Lease liabilities	39	-	0.11
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	34	0.75	2.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	35	806.52	37.64
(iv) Other financial liabilities	20	0.54	1.74
(b) Provisions	19	0.10	0.14
(c) Other current liabilities	21	16.67	18.68
Total current liabilities		829.58	60.96
Total Equity and Liabilities		2,921.01	2,517.66

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration Number 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha

Partner

(Membership No. 93474)

Arjun Singh Oberoi

Managing Director

(DIN No: 00052106)

Tej Kumar Sibal

Director

(DIN No: 00038992)

Place: Gurugram

Date: May 9, 2023

Kallol Kundu

Director and Chief Financial

Officer

(DIN No: 09377233)

Lalit Sharma

Company Secretary

Place: New Delhi

Date: May 9, 2023

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Statement of Profit and Loss for the Year ended March 31, 2023

		Rupees in Million	
	Note No	Year Ended March 31, 2023	Year Ended March 31, 2022
Income			
Revenue from operations	22	704.13	661.17
Other income	23	98.17	77.38
Total income		802.30	738.55
Expenses			
Consumption of provisions, wines & others	24	47.23	41.77
Employee benefits expense	25	90.93	71.34
Finance costs	26	52.88	1.03
Depreciation and amortisation expense	27	22.88	14.16
Other expenses	28	279.88	206.84
Total expenses		493.80	335.14
Profit before exceptional item and tax		308.50	403.41
Exceptional items	29 and 3(ii)	(687.61)	-
(Loss) / Profit before tax		(379.11)	403.41
Tax expense			
Current tax	30	0.30	117.91
Deferred tax	30	(73.93)	0.88
(Loss) / Profit for the year		(305.48)	284.62
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit plans		0.80	0.05
Tax relating to this item		(0.22)	(0.01)
Total other comprehensive income/(loss) for the year, net of tax		0.58	0.04
Total comprehensive income/ (loss) for the year		(304.90)	284.66
Earnings per equity share (in Rs.) - Face Value Rs. 10			
(1) Basic	41	(9.26)	8.62
(2) Diluted		(9.26)	8.62

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors

Alka Chadha
Partner
(Membership No. 93474)

Arjun Singh Oberoi Managing Director (DIN No: 00052106)	Tej Kumar Sibal Director (DIN No: 00038992)
---	---

Place: Gurugram
Date: May 9, 2023

Kallol Kundu Director and Chief Financial Officer Contractual commitments for the acquisition of	Lalit Sharma Company Secretary
--	-----------------------------------

Place: New Delhi
Date: May 9, 2023

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Statement of Cash Flows for the Year ended March 31, 2023

	Rupees in Million	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flows from operating activities		
(Loss) / Profit before tax	(379.11)	403.41
Adjustments for		
Depreciation and amortisation expense	22.88	14.16
Effect of exchange rate difference	0.04	0.01
Interest income on financial assets carried at amortised cost	(96.68)	(75.98)
Provisions and liabilities no longer required, written back	(0.15)	(0.09)
Profit on sale of property, plant and equipment (net)	(0.01)	-
Other assets (service export incentive) written off	-	0.15
Finance costs	52.88	1.03
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(3.85)	2.92
(Increase)/decrease in inventories	(4.20)	(6.35)
(Increase)/decrease in other financial assets	(0.01)	(0.02)
(Increase)/decrease in other non-current assets	0.45	0.13
(Increase)/decrease in other current assets	4.23	(5.30)
Increase/(decrease) in trade payables	715.09	9.93
Increase/(decrease) in employee benefit obligations	(0.17)	0.28
Increase/(decrease) in other financial liabilities	(1.20)	1.00
Increase/(decrease) in other current liabilities	(2.01)	(2.80)
Cash generated from operations	308.18	342.48
Income taxes paid (net of refund)	(61.54)	(74.26)
Net cash inflow from operating activities	246.64	268.22
Cash flows from investing activities		
Payments for property, plant and equipment	(14.96)	(27.62)
Proceeds from sale of property, plant and equipment	0.01	-
Other bank balances - deposits placed	(305.72)	(299.55)
Interest received	92.76	75.34
Net cash outflow used in investing activities	(227.91)	(251.83)
Cash flows from financing activities		
Repayment of lease liabilities	(0.11)	(0.20)
Interest paid	(0.88)	(0.94)
Net cash outflow used in financing activities	(0.99)	(1.14)
Net increase/(decrease) in cash and cash equivalents	17.74	15.25
Cash and cash equivalents at the beginning of the year	51.23	35.98
Cash and cash equivalents at the end of the year	68.97	51.23

Note :

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration Number 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha

Partner

(Membership No. 93474)

Arjun Singh Oberoi

Managing Director

(DIN No: 00052106)

Tej Kumar Sibal

Director

(DIN No: 00038992)

Place: Gurugram

Date: May 9, 2023

Kallol Kundu

Director and Chief Financial Officer
(DIN No: 09377233)

Lalit Sharma

Company Secretary

Place: New Delhi

Date: May 9, 2023

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Statement of changes in equity for the Year ended March 31, 2023

Rupees in Million

A. Equity share capital

Balance as at April 1, 2021	330.00
Add/(less): Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	330.00
Changes in equity share capital during the year	-
Balance as at March 31, 2022	330.00
Add/(less): Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	330.00
Any Other change in equity share capital during the year	-
Balance as at March 31, 2023	330.00

B. Other equity

	Retained earnings (Surplus / (Deficit))
Balance as at April 1, 2021	417.32
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2021	417.32
Profit for the year	284.62
Other comprehensive income/(loss) for the year, net of tax	0.04
Total comprehensive income for the year	284.66
Balance as at March 31, 2022	701.98
Balance as at April 1, 2022	701.98
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2022	701.98
Loss for the year	(305.48)
Other comprehensive income/(loss) for the year, net of tax	0.58
Total comprehensive income for the year	(304.90)
Balance as at March 31, 2023	397.08

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration Number 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha

Partner

(Membership No. 93474)

Arjun Singh Oberoi

Managing Director

(DIN No: 00052106)

Tej Kumar Sibal

Director

(DIN No: 00038992)

Place: Gurugram

Date: May 9, 2023

Kallol Kundu

Director and Chief Financial Officer

(DIN No: 09377233)

Lalit Sharma

Company Secretary

Place: New Delhi

Date: May 9, 2023

MASHOBRA RESORT LIMITED

General Information

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

Note 1: Significant accounting policies

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

a) Basis of preparation

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

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

- (ii) Historical cost convention

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

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

- (iii) Use of estimates

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

b) Revenue recognition

- (i) Effective April 1, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied contracts that were not completed as of April 1, 2018. Accordingly, the comparative information in the statement of profit and loss has not been restated. The impact of adoption of the standard on financial statements of the Company is insignificant.
- (ii) Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (iii) Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various trade discounts and schemes offered by the Company as part of the contract.

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

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

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

Timing of revenue recognition from major business activities

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

c) Foreign currency translation

- (i) Presentation Currency

The Financial Statements are presented in INR which is the Functional Currency of the Company.

- (ii) Transactions and balances

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

Sales made in any currency other than the functional currency of the Company are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realisation or translation at the year end.

Payments made in foreign currency are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year. Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year.

d) Income tax

Current income tax is recognised based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

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

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

MASHOBRA RESORT LIMITED**Notes to the Financial Statements - -Contd.****e) Deferred Tax**

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

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

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

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

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

f) Leases

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

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

The Company as a lessee:

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

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

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

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

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

These lease payments would comprise:

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

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

MASHOBRA RESORT LIMITED**Notes to the Financial Statements - -Contd.****The Company as a lessor**

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

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

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

g) *Impairment of assets*

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

h) *Cash and cash equivalents*

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) *Trade receivables*

Trade receivables are initially measured (initial recognition amount) at their transaction price (in accordance with Ind AS 115) unless those contain a significant financing component determined in accordance with Ind AS 115 or when the entity applies the practical expedient in accordance with para 63 of Ind AS 115 and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) *Inventories*

Inventories are valued at cost which is based on Cumulative Weighted Average method or net realisable value, whichever is lower. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit or Loss.

MASHOBRA RESORT LIMITED**Notes to the Financial Statements - -Contd.****k) Investments and other financial assets****(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value, plus in the case of a financial asset not recorded at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss.

Debt instruments

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

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

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

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

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

(iii) Impairment of financial assets

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

l) Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

m) Property, plant and equipment

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

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

Transition to Ind AS

Effective 1 April, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with 1 April, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, and leased vehicles and equipment is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Leased vehicles are depreciated over the lives of the respective asset or over the remaining lease period of the respective asset whichever is shorter.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which is 57 years with effect from 31st March 2018 and is higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

n) Intangible assets

Intangible Assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

MASHOBRA RESORT LIMITED**Notes to the Financial Statements - -Contd.****Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

o) Trade and other payables

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

p) Borrowing costs

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

q) Provisions, contingent liabilities and contingent assets

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

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

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

r) Employee benefits***(i) Short-term obligations***

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

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

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations –

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

Leave encashment on termination of service –

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

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

Provident Fund –

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

s) Dividends

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

t) Earnings per share

(i) Basic earnings per share

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

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

u) Government grants / Incentives

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

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

v) Rounding of amounts

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

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**2****Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**3****Significant estimates and judgements**

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

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

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

(i) Useful life of the Hotel Building

The Company has adopted useful life of property, plant and equipment as stipulated by Schedule II to the Companies Act, 2013 except for the hotel building for computing depreciation. In the case of the hotel building of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert or over remaining lease period whichever is shorter. As per the certificate of the technical expert as on March 31, 2023, the balance useful life of the hotel building of the Company was 52 years. Further, pursuant to the arbitral award [refer note 3(ii)], management has re-evaluated the useful life of hotel building located on the parcel of land, as indicated in the said note, during the current year in respect of which the lease deed is yet to be executed. Pending such execution of lease deed, management has considered 22 years as the balance useful life of hotel building as on March 31, 2023 which is lower of the useful life determined by the independent technical expert and remaining term stipulated in the arbitral award. Accordingly, the carrying amount of the hotel building is being depreciated over its estimated useful life.

(ii) Significant and material order

The Company's building is situated on a land which has been classified as freehold, based on the conveyance deed dated February 6, 1997. The conveyance deed was executed pursuant to a Joint Venture Agreement ("the Agreement") dated October 30, 1995 between the Government of Himachal Pradesh and EIH Limited, the Holding Company pursuant to which the Company was established for setting up and running the Hotel. The Government of Himachal Pradesh, from whom the land was acquired had terminated the said Agreement for alleged non fulfilment of its terms by EIH Limited and sought to take consequential actions pursuant thereto. The matter was disputed before an arbitrator appointed by the Hon'ble High Court of Himachal Pradesh who rendered an award on July 23, 2005. The Arbitral Award required, amongst other things, the execution of the lease deed for the said land between the Company and the Government of Himachal Pradesh.

Being aggrieved by the Arbitral Award, the Company and EIH Limited challenged the award, firstly before the Single Judge and then before the Division Bench of the Hon'ble High Court of Himachal Pradesh. The operation of the said award was stayed till the disposal of appeal. The Division Bench of Hon'ble High Court of Himachal Pradesh vide its order dated October 13, 2022 has upheld the Arbitral Award dated July 23, 2005.

The Company and EIH Limited were legally advised to comply with the directions of the Arbitral Award within a reasonable period from the High Court order dated October 13, 2022. Consequently, the Company's intention to implement the Arbitral Award was communicated to the Government of Himachal Pradesh vide letter dated October 18, 2022 and execution petition was filed with the Hon'ble High Court of Himachal Pradesh on March 28, 2023.

The Company has recorded an obligation of INR 687.61 million based on the management's best estimate of outflow of economic resources upon compliance with the Arbitral Award which has been classified as "Exceptional items" in the financial statements for the year ended March 31, 2023. Based on discussion with Government of Himachal Pradesh, there may be further obligation of interest on Arbitral Award therefore the Company has recorded obligation of INR 408.71 million towards interest and disclosed as Exceptional items which is included in the above mentioned obligation.

Based on above Arbitral Award, the Company has recorded a further obligation of INR 51.98 million and Rs. 10.00 million which has been disclosed as finance costs and other expenses, respectively, in the financial statements for the year ended March 31, 2023. The necessary accounting for the lease and cancellation of conveyance deed will be carried out upon the finalisation of the terms of the lease and execution of the lease deed.

In addition, based on the change in circumstances, management has re-evaluated the useful life of immovable assets located on the parcel of land in respect of which the lease terms are to be finalised and recorded an additional depreciation charge amounting to INR 9.00 million in the financial statements for the year ended March 31, 2023.

Further, as per the Arbitral Award, upon execution of the lease deed in respect of land and upon payment of the stipulated consideration, the Government of Himachal Pradesh is to facilitate transfer of all its shares to EIH Limited. Pending transfer of shares held by the Government of Himachal Pradesh in favour of EIH Limited pursuant to the settlement under the Arbitral Award, amounts received in previous years from EIH Limited, the holding company, amounting to INR 1,361.93 million (March 31, 2022 - INR 1,361.93 million) continue to be recorded as "Advance towards equity" as the Company intends to issue shares against the said advances without allotment till the date of actual transfer of the shares. In view of the above, the same has not been included in Non-Current Liability but as a separate line item below Equity.

Also, the Company continues to keep 30% of the Room Revenue in respect of the balance 57 rooms out of 85 rooms which are pending registration by the authorities under The Himachal Pradesh Registration of Tourist Trade Act, 1988 pursuant to the Arbitral Award, in fixed deposits and current account with a Nationalised Bank aggregating to INR 1,263.43 million as on March 31, 2023 which have been included under other bank balances.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

4 (i)

Property, plant and equipment

Rupees in Million

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2023
	Balance as at April 1, 2022	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2023	As at April 1, 2022	For the year	Less: Sales/ Adjustments	As at March 31, 2023	
Freehold land (refer note 4(iii))	74.41	-	-	74.41	-	-	-	-	74.41
Buildings	401.68	0.15	-	401.83	41.62	14.55	-	56.17	345.66
Plant and equipment	101.45	8.57	0.04	109.98	48.76	4.55	0.04	53.27	56.71
Furniture and fittings	8.81	3.09	0.69	11.21	4.11	0.93	0.69	4.35	6.86
Vehicles	15.44	-	-	15.44	6.60	2.18	-	8.78	6.66
Office equipment	0.16	0.10	-	0.26	0.04	0.05	-	0.09	0.17
Computers	6.27	0.56	-	6.83	5.33	0.45	-	5.78	1.05
Total	608.22	12.47	0.73	619.96	106.46	22.71	0.73	128.44	491.52

Right-of-use assets

	Gross carrying amount				Accumulated Depreciation				Carrying value as at March 31, 2023
	Balance as at April 1, 2022	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2023	As at April 1, 2022	For the year	Less: Sales/ Adjustments	As at March 31, 2023	
Vehicles	1.68	-	1.68	-	1.59	0.09	1.68	-	-

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

Right-of-use assets

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

Note: The Company had not revalued its property, plant and equipment and right-of use assets during the year ended March 31, 2023 and March 31, 2022.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**4 (ii)****Contractual Obligations**

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

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

Relevant line item in balance sheet	Description of item of property	Gross carrying value as at 31 March, 2023 Rupees Million	Carrying value as at 31 March, 2023 Rupees Million	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in name of Company
Property, plant and equipment	Freehold land of Wildflower Hall located at Shimla admeasuring 77,471 sq. mtrs	74.41	74.41	Mashobra Resort Private Limited (See remarks)	No	6 February, 1997	The Company's building is situated on a land which has been classified as freehold, based on the conveyance deed dated 6th February 1997. The conveyance deed was executed pursuant to a Joint Venture Agreement(" the Agreement") dated 30th October 1995 between the Government of Himachal Pradesh and EIH Limited, the Holding Company pursuant to which the Company was established for setting up and running the Hotel. The conveyance deed was signed when the name of the company was Mashobra Resort Private Limited. Later the word private was deleted and the company was converted into a public company under section 43-A(1) of the Companies Act, 1956 w.e.f 22 March, 1997 vide order dated 01 July, 1997. The Government of Himachal Pradesh, from whom the land was acquired had terminated the said Agreement for alleged non fulfilment of its terms by EIH Limited and sought to take consequential actions pursuant thereto. The matter was disputed before an arbitrator appointed by the Hon'ble High Court of Himachal Pradesh who rendered an award on 23rd July 2005. The Arbitral Award required, amongst other things, the execution of the lease deed for the said land between the Company and the Government of Himachal Pradesh. Being aggrieved by the Arbitral Award, the Company and EIH Limited, challenged the award, firstly before the Single Judge and then the Division Bench of the Hon'ble High Court of Himachal Pradesh. The Division Bench of Hon'ble High Court of Himachal Pradesh vide its order dated 13th October 2022 has upheld the Arbitral Award dated 23rd July 2005. Consequently, the company's intention to implement the Arbitral Award was communicated to the Government of Himachal Pradesh vide letter dated October 18, 2022 and execution petition was filed with the Hon'ble High Court of Himachal Pradesh on 28 March, 2023. The cancellation of conveyance deed will be carried out upon the finalisation of the terms of the lease and execution of the lease deed. [Refer note 3(ii)]
	Buildings constructed on the above mentioned Freehold land of Wildflower Hall located at Shimla	401.83	345.66	See remarks	No	Refer remarks	Pursuant to the purchase of land, the Company built the hotel building of 85 rooms out of which no objection certificate for 28 rooms was received by the Company from the Town & Country Planning Department, Government of Himanchal Pradesh. The completion certificate for the balance rooms was not received by the Company and this matter amongst others was disputed before an arbitrator appointed by the Hon'ble High Court of Himachal Pradesh who rendered an award on July 23, 2005. Being aggrieved by the Arbitral Award, the Company and EIH Limited, challenged the award, firstly before the Single Judge and then the Division Bench of the Hon'ble High Court of Himachal Pradesh. The Division Bench of Hon'ble High Court of Himachal Pradesh vide its order dated 13th October 2022 has upheld the Arbitral Award dated 23rd July 2005. Consequently, the Company's intention to implement the Arbitral Award was communicated to the Government of Himanchal Pradesh vide letter dated October 18, 2022 and execution petition was filed with the Hon'ble High Court of Himachal Pradesh on 28 March, 2023. The Company continues to keep 30% of the Room Revenue in respect of the balance 57 rooms out of 85 rooms which are pending registration by the authorities under The Himachal Pradesh Registration of Tourist Trade Act, 1988 pursuant to the Arbitral Award, in fixed deposits and current account with a Nationalised Bank. Refer Note 3(ii)

Note: Includes net of additions/deletions from the date of execution of the conveyance deed, upto the year ended March 31, 2023

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

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

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**5(i)****Capital Work In Progress (CWIP)*****(a) CWIP ageing schedule**

As at March 31, 2023	Amount in CWIP for a period of				Rupees in Million
Particulars	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.64	-	-	-	2.64
Projects temporarily suspended**	-	-	-	0.32	0.32
Total CWIP	2.64	-	-	0.32	2.96

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

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

(b)(i) Capital-work-in progress, whose completion is overdue

As at March 31, 2023	To be completed in				Rupees in Million
Particulars	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects temporarily suspended**					
Bathtubs	-	-	-	0.32	0.32
Total of projects temporarily suspended	-	-	-	0.32	0.32

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

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

(b)(ii) There is no Capital-work-in progress, which has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**5(ii)****Intangible assets**

	Gross carrying amount				Accumulated Amortisation				Rupees in Million
	Balance as at April 1, 2022	Additions during the year	Sales/adjustment during the year	Balance as at March 31, 2023	As at April 1, 2022	For the year	Less: Sales/Adjustments	As at March 31, 2023	Carrying value as at March 31, 2023
Computer Software	0.97	-	-	0.97	0.82	0.08	-	0.90	0.07
Total	0.97	-	-	0.97	0.82	0.08	-	0.90	0.07

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

Notes:

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

(ii) The Company had not revalued its intangible assets during the year ending March 31, 2023 and March 31, 2022.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

6

Other financial assets

(i) Non-current financial assets

	As at March 31, 2023	As at March 31, 2022
Security deposits	1.22	1.22
Total other non-current financial assets	1.22	1.22

(ii) Current financial assets

Interest accrued on deposits	7.39	3.47
Security deposits	0.19	0.16
Other receivables	-	0.02
Total other current financial assets	7.58	3.65

7

Deferred tax assets/ (liabilities) (net)

Deferred tax assets on account of :

Accrued expenses deductible on payment	2.67	1.76
Unabsorbed depreciation/ business loss	91.00	-
MAT credit entitlement	-	31.35
Other temporary differences	-	0.02
Total deferred tax assets (A)	93.67	33.13

Deferred tax liabilities on account of :

Property, plant and equipment, right-of-use assets and intangible assets	74.40	87.79
Total deferred tax liabilities (B)	74.40	87.79

Deferred tax assets/(liabilities) (net) (A-B)

	19.27	(54.66)
--	--------------	----------------

Movement in deferred tax assets

	Rupees in Million				
	Accrued expenses deductible on payment	MAT credit entitlement	Unabsorbed depreciation/ business loss	Other temporary differences	Total
As at April 1, 2021	1.83	78.77	-	0.02	80.62
(Charged)/Credited:					
- to profit and loss	(0.07)	(47.42)	-	-	(47.49)
- to other comprehensive income	-	-	-	-	-
As at March 31, 2022	1.76	31.35	-	0.02	33.13
(Charged)/Credited:					
- to profit and loss	0.91	(31.35)	91.00	(0.02)	60.54
- to other comprehensive income	-	-	-	-	-
As at March 31, 2023	2.67	-	91.00	-	93.67

Movement in deferred tax liabilities

	Rupees in Million
	Property, plant and equipment, right-of-use assets and intangible assets
As at April 1, 2021	86.97
Charged/(Credited):	
- to profit and loss	0.82
As at March 31, 2022	87.79
Charged/(Credited):	
- to profit and loss	(13.39)
As at March 31, 2023	74.40

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
8		
Non-current tax assets (net)		
Opening balance	14.66	10.89
Less: Tax payable for the year	(0.30)	(117.91)
Add: MAT credit utilised	-	47.42
Add: Taxes paid	61.54	74.26
Total non-current tax assets (net)	75.90	14.66

9		
Other non-current assets		
Capital advances	1.29	1.78
Prepaid expenses	0.06	0.02
Total other non-current assets	1.35	1.80

10		
Inventories *		
Provisions, wines and others	12.83	13.19
Stores and operating supplies	22.74	18.16
Goods-in-transit (Operating supplies)	-	0.02
Total inventories	35.57	31.37

* Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' and net realisable value, whichever is lower.

The cost of inventories recognised as an expense during the year as consumption of provisions, wines and others was Rs. 47.23 million (for the year ended March 31, 2022: Rs. 41.77 million). (Refer note 24)

11		
Trade receivables *		
Unsecured, considered good		
Receivables from related parties	0.03	0.06
Receivable from other than related parties	22.33	18.45
Total trade receivables	22.36	18.51

* Read with note 32

As at March 31, 2023		Outstanding for following periods from due date of payment					Rupees in Million
Particulars	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed trade receivables – considered good	18.89	3.07	0.01	0.39	-	-	22.36
(b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Subtotal	18.89	3.07	0.01	0.39	-	-	22.36
Unbilled dues							-
Total	18.89	3.07	0.01	0.39	-	-	22.36

As at March 31, 2022		Outstanding for following periods from due date of payment					
Particulars	Current but not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) Undisputed trade receivables – considered good	7.45	7.37	3.69	-	-	-	18.51
(b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Subtotal	7.45	7.37	3.69	-	-	-	18.51
Unbilled dues							-
Total	7.45	7.37	3.69	-	-	-	18.51

Note: There are no disputed trade receivables.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
12		
Cash and cash equivalents		
Balances with banks		
- Current accounts	22.80	50.62
Cash in hand	0.43	0.61
Fixed deposits with original maturity of less than 3 months	45.74	-
Total cash and cash equivalents	68.97	51.23
13		
Other bank balances		
Current account *	0.03	0.02
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date *	1,263.40	1,104.06
Fixed deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance Sheet date	921.00	774.63
Total other bank balances	2,184.43	1,878.71
* Maintained pursuant to Arbitral Award [Refer Note 3(ii)]		
14		
Other current assets		
Prepaid expenses	1.90	1.42
Services exports incentive	-	1.77
Balance with government authorities	0.10	-
Other advances	7.81	10.85
Total other current assets	9.81	14.04

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

15

Equity share capital

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
50,000,000 Equity Shares of Rs. 10 each (2022 - 50,000,000)	500.00	500.00
	500.00	500.00
ISSUED, SUBSCRIBED & FULLY PAID		
33,000,000 Equity Shares of Rs. 10 each (2022 - 33,000,000)	330.00	330.00
	330.00	330.00

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) Rupees Million
As at April 1, 2021	3,30,00,000	330.00
Change during the year	-	-
As at March 31, 2022	3,30,00,000	330.00
Change during the year	-	-
As at March 31, 2023	3,30,00,000	330.00

(ii) Rights and preferences attached to equity shares :

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

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

Shareholder Name	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
EIH Limited	2,59,99,995	78.79%	2,59,99,995	78.79%
Government of Himachal Pradesh	70,00,000	21.21%	70,00,000	21.21%

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

	As at March 31, 2023	As at March 31, 2022
	Number of Shares	
EIH Limited	2,59,99,995	2,59,99,995

(v) Shareholding of promoters*

Sl. No.	Promoter Name	Number of shares as at April 1, 2022	Change during the year	Number of shares as at March 31, 2023	% of total shares	% Change during the year
1	EIH Limited	2,59,99,995	-	2,59,99,995	78.79%	-
2	Government of Himachal Pradesh	70,00,000	-	70,00,000	21.21%	-
3	Oberoi Hotels Private Limited	1	-	1	0.00%	-
4	Oberoi Holdings Private Limited	1	-	1	0.00%	-
5	Oberoi Properties Private Limited	1	-	1	0.00%	-
6	Oberoi Investments Private Limited	1	-	1	0.00%	-
7	Oberoi Plaza Private Limited	1	-	1	0.00%	-
		3,30,00,000	-	3,30,00,000	100.00%	-

Sl. No.	Promoter Name	Number of shares as at April 1, 2021	Change during the year	Number of shares as at March 31, 2022	% of total shares	% Change during the year
1	EIH Limited	2,59,99,995	-	2,59,99,995	78.79%	-
2	Government of Himachal Pradesh	70,00,000	-	70,00,000	21.21%	-
3	Oberoi Hotels Private Limited	1	-	1	0.00%	-
4	Oberoi Holdings Private Limited	1	-	1	0.00%	-
5	Oberoi Properties Private Limited	1	-	1	0.00%	-
6	Oberoi Investments Private Limited	1	-	1	0.00%	-
7	Oberoi Plaza Private Limited	1	-	1	0.00%	-
		3,30,00,000	-	3,30,00,000	100.00%	-

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

(vi) Pursuant to the order of the Division Bench of Hon'ble High Court of Himachal Pradesh, dated 13 October, 2022, as per the Arbitral Award, upon execution of the lease deed in respect of land and upon payment of the stipulated consideration, the Government of Himachal Pradesh is to facilitate transfer of all its shares to EIH Limited. [Refer note 3(ii)]

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
16		
Other equity		
Reserves and Surplus		
Retained earnings *	397.08	701.98
Total other equity	397.08	701.98
* Retained earnings		
Opening balance	701.98	417.32
Add: Profit/ (loss) during the year as per Statement of Profit and Loss	(305.48)	284.62
Less: Other comprehensive income recognised directly in retained earnings		
- Re-measurements of defined benefit plans, net of tax	(0.58)	(0.04)
Closing balance	397.08	701.98

Nature and purpose of Reserves

Retained earnings

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

17

Advance towards equity

Advance towards equity (Refer note below)	1,361.93	1,361.93
	1,361.93	1,361.93

As per the Arbitral Award, upon execution of the lease deed in respect of land and upon payment of the stipulated consideration, the Government of Himachal Pradesh is to facilitate transfer of all its shares to EIH Limited. Pending transfer of shares held by the Government of Himachal Pradesh in favour of EIH Limited pursuant to the settlement under the Arbitral Award, amounts received in previous years from EIH Limited, the holding company, amounting to INR 1,361.93 million (31st March 2022 - INR 1,361.93 million) continue to be recorded as "Advance towards equity" as the Company intends to issue shares against the said advances without allotment till the date of actual transfer of the shares.[Refer note 3(ii)]

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

18

(i) Non-current borrowings - at amortised cost

Rupees in Million				
Maturity Date	Terms of repayments	Coupon / Interest rate per annum	As at March 31, 2023	As at March 31, 2022
Unsecured				
Government of Himachal Pradesh	Refer note below	Half-Yearly 16.50%	-	5.00
Total			-	5.00

Note:

Unsecured borrowings from the Government of Himachal Pradesh outstanding as on March 31, 2022 which were repayable at the option of the Company had been classified as non-current borrowings. Pursuant to the order of the Division Bench of Hon'ble High Court of Himachal Pradesh, dated 13 October, 2022, unsecured borrowings from the Government of Himachal Pradesh are repayable upon execution of the lease deed in respect of land and have accordingly been classified as current borrowings.[Refer note 3(ii)]

(ii) Current borrowings - at amortised cost

Rupees in Million				
Maturity Date	Terms of repayments	Coupon / Interest rate per annum	As at March 31, 2023	As at March 31, 2022
Unsecured				
Government of Himachal Pradesh	Refer note 18(i)	Half-Yearly 16.50%	5.00	-
Total			5.00	-

Refer note 18(i)

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

19

Provisions

Rupees in Million

Employee benefit obligations	As at March 31, 2023			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Leave Encashment - Unfunded						
Present value of obligation	0.08	1.75	1.83	0.11	2.49	2.60
Gratuity - Unfunded						
Present value of obligation	0.02	0.67	0.69	0.03	0.64	0.67
Total employee benefit obligations	0.10	2.42	2.52	0.14	3.13	3.27

(i) Defined benefit plans

a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan and provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method.

b) Leave Encashment

As per the policy of the Company, obligations on account of encashment of accumulated leave of an employee is settled only on termination / retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Projected Unit Credit Method. It is an unfunded plan.

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 3.19 million for the year ended March 31, 2022: Rs. 2.78 million).

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

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

	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2021	0.71	-	0.71	2.32
Current service cost	0.14	-	0.14	0.30
Interest expense/(income)	0.05	-	0.05	0.16
Total amount recognised in Statement of Profit and Loss	0.19	-	0.19	0.46
Remeasurements				
Experience (gains)/losses	0.03	-	0.03	0.07
(Gain)/loss from change in financial assumptions	(0.03)	-	(0.03)	(0.12)
Total amount recognised in Other Comprehensive Income	-	-	-	(0.05)
Employer contributions	-	-	-	-
Benefit payments	(0.23)	-	(0.23)	(0.13)
March 31, 2021	0.67	-	0.67	2.60
April 1, 2021	0.67	-	0.67	2.60
Current service cost	0.21	-	0.21	0.54
Interest expense/(income)	0.05	-	0.05	0.19
Total amount recognised in Statement of Profit and Loss	0.26	-	0.26	0.73
Remeasurements				
Experience (gains)/losses	(0.02)	-	(0.02)	(0.71)
(Gain)/loss from change in financial assumptions	(0.02)	-	(0.02)	(0.05)
Total amount recognised in Other Comprehensive Income	(0.04)	-	(0.04)	(0.76)
Employer contributions	-	-	-	-
Benefit payments	(0.20)	-	(0.20)	(0.74)
March 31, 2022	0.69	-	0.69	1.83

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.30%
Salary growth rate	5.00%	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate
Withdrawal rate - upto 40 years	4.2	4.2
Withdrawal rate - 40 - 54 years	1.8	1.8
Withdrawal rate - 55 - 57 years	2.2	2.2

(v) Sensitivity analysis

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

	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Gratuity						
Discount rate	1%	1%	(0.09)	(0.09)	0.11	0.11
Salary growth rate	1%	1%	0.11	0.11	(0.09)	(0.09)
Leave encashment						
Discount rate	1%	1%	(0.20)	(0.29)	0.24	0.34
Salary growth rate	1%	1%	0.25	0.35	(0.21)	(0.30)

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

(vi) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

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

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

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

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

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 18.29 years (2022 - 17.92 years) and 17.90 years (2022- 17.40 years) for gratuity and leave encashment respectively.

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

	Rupees in Million					
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	More than 10 years	Total
March 31, 2023						
Gratuity	0.02	-	0.15	0.20	2.39	2.76
Leave encashment	0.08	-	0.33	0.44	4.75	5.60
Total	0.10	-	0.48	0.64	7.14	8.36
March 31, 2022						
Gratuity	0.03	-	0.15	0.17	2.11	2.46
Leave encashment	0.11	-	0.43	0.54	6.24	7.32
Total	0.14	-	0.58	0.71	8.35	9.78

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
20		
Other current financial liabilities		
Liability for capital expenditure	0.54	0.74
Liability towards Corporate Social Responsibility	-	1.00
Total current financial liabilities	0.54	1.74
21		
Other current liabilities		
Advance from customers	12.47	16.64
Statutory dues	4.20	2.04
Total other current liabilities	16.67	18.68

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	Year Ended March 31, 2023	Year Ended March 31, 2022
22		
Revenue from operations		
Rooms	501.39	475.91
Food and beverage	157.47	148.42
Other services	45.27	36.84
Total revenue from operations	704.13	661.17
23		
Other income		
Interest income on financial assets carried at amortised cost :		
Bank deposits	96.68	75.98
Other gains/(losses) :		
Net foreign exchange gain	0.16	-
Provisions and liabilities no longer required, written back	0.15	0.09
Profit on sale of property, plant and equipment (net)	0.01	-
Miscellaneous income	1.17	1.31
Total other income	98.17	77.38
24		
Consumption of provisions, wines & others		
Opening stock	13.19	9.84
Add : Purchases	46.87	45.12
	60.06	54.96
Less : Closing stock	12.83	13.19
Total Consumption of provisions, wines & others	47.23	41.77
25		
Employee benefits expense		
Salaries and wages	67.38	52.17
Contribution to provident fund and other funds (Refer note 19)	3.19	2.78
Gratuity (Refer note 19)	0.26	0.19
Staff welfare expenses	20.10	16.20
Total employee benefits expense	90.93	71.34

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	Year Ended March 31, 2023	Year Ended March 31, 2022
26		
Finance costs		
Interest expense	0.83	0.83
Interest on MSME (Refer note 34)	0.02	0.09
Interest on lease liabilities (Refer note 39)	0.05	0.11
Others [Refer note 3(ii)]	51.98	-
Total finance costs	52.88	1.03
27		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	22.71	13.92
Depreciation of right-of-use assets	0.09	0.16
Amortisation of intangible assets	0.08	0.08
Total depreciation and amortisation expense	22.88	14.16
28		
Other expenses		
Power and fuel	41.80	36.57
Rent (Refer note 39)	13.69	1.88
Repairs and maintenance		
- Buildings	14.67	8.27
- Plant and equipment	12.27	10.42
- Others	3.52	2.35
Insurance	2.63	2.33
Rates and taxes	4.96	3.77
Expenses on apartment and board	15.53	17.32
Advertisement, publicity and other promotional expenses	13.61	7.82
Commission to travel agents and others	70.46	44.93
Passage and travelling	13.20	12.81
Postage, telephone, etc.	0.87	1.31
Legal and professional charges	8.45	7.08
Linen, uniform washing and laundry expenses	1.79	1.32
Renewals and replacements	11.18	7.94
Musical, banquet and kitchen expenses	1.45	0.51
Auditors' remuneration (Refer Note 28(a))	0.14	0.15
CSR expenses (Refer note 28(b))	5.61	4.40
Expenses on contracts for service	21.38	20.60
Water charges	7.88	8.09
Director's sitting fees	1.20	1.20
Printing and stationery	1.56	1.19
Subscriptions	0.81	0.24
Other assets (service export incentive) written off	-	0.15
Net foreign exchange loss	-	0.13
Miscellaneous expenses	11.22	4.06
Total other expenses	279.88	206.84
28 (a)		
Details of Auditors' remuneration		
As auditor:		
- Audit fee	0.09	0.09
- Tax audit fee	0.03	0.05*
- Reimbursement of expenses	0.02	0.01
	0.14	0.15

* includes relating to additional billing of Rs. 0.02 million

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**28 (b)****Corporate Social Responsibility**

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

Particulars	Rupees in Million	
	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	5.47	4.40
(b) Amount approved by the board to be spent during the year	5.47	4.40
(c) Amount of expenditure incurred (as per table below)	6.61	3.40
(i) Construction/acquisition of any asset		
Procurement of capital items at Modern Children Home, Mashobra	1.83	-
	1.83	-
(ii) On purposes other than (i) above		
Repair and maintenance work and supplies at Modern Children Home, Mashobra	-	0.91
Skill Development (Vocational Training) at school for hearing and visually impaired at Dhalli, Shimla	3.78	2.23
Procurement of Bench for SEOG Water Catchment Area	-	0.26
Contribution for PM CARES FUND (Refer note 1 below)	1.00	-
	4.78	3.40
	6.61	3.40
(d) Shortfall/ (excess) at the end of the year (a - c) (Refer notes below)	(1.14)*	1.00*
(e) Total of previous year shortfall (Refer note 1 below)	1.00*	-
(f) Reason for shortfall	-	Refer note 1 below
(g) Details of related party transactions	-	-
(h) Liability against contractual obligations for CSR	-	-

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

Balance as on 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Balance as on 31 March 2023	
With the Company	In separate CSR unspent account		From the Company's Bank account	From the separate CSR unspent account	With the Company	In separate CSR unspent account
Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

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

Balance as on 1 April 2022		Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2023
1.00	1.00				(0.14)
Refer note 1 below			5.47	6.61	Refer note 2 below

Balance as on 1 April 2021		Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance as on 31 March 2022
Nil	Nil				1.00
			4.40	3.40	Refer note 1 below

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

Balance excess/ (shortfall) spent as at		Amount required to be spent during the year	Amount spent during the year	Balance excess spent/ (shortfall) as on 31 March 2023
(1.00)				(0.14)
Refer note 1 below		5.47	6.61	Refer note 2 below

Balance excess spent as at 1 April 2021		Amount required to be spent during the year	Amount spent during the year	Balance excess spent/ (shortfall) as on 31 March 2022
Nil				(1.00)
		4.40	3.40	Refer note 1 below

Notes:

1. The Company has made payment of INR 1.00 million to a Fund specified in Schedule VII to the Companies Act, 2013 in respect of the shortfall of expenditure for the financial year 2021- 22 on April 29, 2022, within the time period permitted under the second proviso to section 135(5) of the Act.

2. During the year ended 31 March 2023, amount required to be spent on CSR as per Section 135 of the Companies Act, 2013 and approved by the Board of Directors was Rs. 5.47 million whereas the amount incurred is Rs. 5.61 million. The excess amount spent by the Company would not be carried forward for setting off such expenditure in succeeding financial years.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	Year Ended March 31, 2023	Year Ended March 31, 2022
29		
Exceptional items - profit / (loss)		
Obligation pursuant to the Arbitral Award [Refer note 3(ii)]	687.61	-
	687.61	-
30		
Tax Expense		
(a) Current tax		
Tax on profits for the year	-	117.91
Adjustments for prior years	0.30	-
Total income tax	0.30	117.91
(b) Deferred tax		
Decrease/ (increase) in deferred tax assets	(60.54)	47.49
(Decrease)/ increase in deferred tax liabilities	(13.17)	0.82
	(73.71)	48.31
Less: MAT credit utilised	-	(47.42)
Add / (Less): Recognised in OCI	(0.22)	(0.01)
Total deferred tax expense/(benefit)	(73.93)	0.88
Total tax expense	(73.63)	118.79
30		
Tax Expense (contd.)		
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
(Loss) / Profit before tax expense	(379.11)	403.41
Tax at the rate of 29.12% (F.Y. 2021-22 – 29.12%)	(110.40)	117.47
<u>Tax effect of amounts which are not deductible in calculating taxable income:</u>		
CSR expenses	1.63	1.28
Interest on MSME (Refer note 34)	0.00*	0.03
Others	0.75	-
<u>Adjustments related to property, plant and equipment:</u>		
Adjustment on account of depreciable and leased assets	0.01	0.01
<u>Other differences:</u>		
Impact of decrease in tax rate on deferred tax [Refer note (i) below]	3.03	
MAT credit entitlement written off and charged to Statement of Profit and Loss [Refer note (i) below]	31.35	-
Tax expense as per Income Tax	(73.63)	118.79

*Amount less than Rs. 0.01 million

Notes:

- (i) The Company has decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment Ordinance, 2019 dated 20 September, 2019 from financial year 2023-2024 onwards. Accordingly, the Company has remeasured its deferred tax assets (net) basis the rate prescribed in the said section and has taken the full effect to the Statement of Profit and Loss during the year ended 31 March, 2023. Prior to such election, the Company was accounting for Minimum Alternate Tax (MAT) in accordance with tax laws which gave rise to future economic benefits in the form of tax credit against which future income tax liability was being adjusted and it was being recognised as an asset in the Balance Sheet. MAT credit entitlement of Rs. 31.35 million has been written off during the year ended 31 March, 2023, on exercising such option.
- (ii) Effective April 1, 2019, the Company had adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application and effect on adoption of this amendment was Nil (previous year Nil).

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

31

FAIR VALUE MEASUREMENTS**Financial instruments by category**

Rupees in Million		
	As at March 31, 2023	As at March 31, 2022
	Amortised cost	Amortised cost
Financial assets		
Trade receivables	22.36	18.51
Cash and cash equivalents	68.97	51.23
Other bank balances	2,184.43	1,878.71
Other receivables	7.39	3.49
Security deposits	1.41	1.38
Total financial assets	2,284.56	1,953.32
Financial liabilities		
Borrowings	5.00	5.00
Lease liabilities	-	0.11
Trade payables	807.27	40.29
Others	0.54	1.74
Total financial liabilities	812.81	47.14

(i) Fair value hierarchy

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

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

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

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

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

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

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

32

Financial risk management

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

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

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

(A) Market risk

(i) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets or liabilities denominated in a currency that is not the Company's functional currency (Rs.).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the Management to decide on the requirement of hedging. The position of foreign currency exposure to the Company as at the end of the year expressed in Rs. Million are as follows :

Currency	Rupees in Million	
	Receivables	Payables
March 31, 2023		
Euro	-	-
US Dollar (USD)	-	0.34
Net Exposure to foreign currency risk	-	0.34
March 31, 2022		
Euro	-	0.45
US Dollar (USD)	-	-
Net Exposure to foreign currency risk	-	0.45

Sensitivity

If Rs. is depreciated or appreciated by 5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the Company are given below:

	Impact on profit	
	March 31, 2023	March 31, 2022
EURO sensitivity		
Rs./EURO Increases by 5% (March 31, 2020 - 5%)	-	(0.02)
Rs./EURO Decreases by 5% (March 31, 2020 - 5%)	-	0.02
USD sensitivity		
Rs./USD Increases by 5% (March 31, 2020 - 5%)	(0.02)	-
Rs./USD Decreases by 5% (March 31, 2020 - 5%)	0.02	-

(ii) Interest rate risk

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

	Rupees in Million	
	March 31, 2023	March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	-	5.00
Total borrowings	-	5.00

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

(iii) Price risk

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

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

31

Financial risk management (contd.)

(B) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore, is not exposed to any credit risk.

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

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

(C) Liquidity risk

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

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

Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities:

Rupees in Million				
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2023				
Borrowings [Refer note 18(i)]	5.00	-	-	5.00
Lease liabilities	-	-	-	-
Liability for capital expenditure	0.54	-	-	0.54
Trade payables	807.27	-	-	807.27
Total non-derivative liabilities	812.81	-	-	812.81
March 31, 2022				
Borrowings*	0.83	3.30	5.00	9.13
Lease liabilities	0.11	-	-	0.11
Liability for capital expenditure	0.74	-	-	0.74
Liability towards Corporate Social Responsibility	1.00	-	-	1.00
Trade payables	40.29	-	-	40.29
Total non-derivative liabilities	42.97	3.30	5.00	51.27

* The borrowing was repayable at the option of the Company. Accordingly, interest component payable after 5 years had not been considered. [Refer note 18(i)]

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

33

Capital Management

Risk management

The Company's objectives when managing capital are to

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

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

The Company does not have significant borrowings outstanding. Further, borrowing of Rs. 5 million (2022 - Rs. 5 million) appearing in the books of account of the Company is a loan from Government of Himachal Pradesh. There are no significant covenants to the loan. The loan was repayable at the option of the Company. (Refer note 18)

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
34		
Trade Payables to Micro and Small Enterprises		
(i) Principal amount remaining unpaid at the end of the year *	0.64	2.56
(ii) Interest due thereon remaining unpaid at the end of the year	0.11	0.09
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the year	0.02	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	0.11	0.09
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	Nil	Nil
(vii) Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.11	0.09
Total [(i)+(v)]	0.75	2.65

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

35		
Trade Payables To Other Than Micro And Small Enterprises		
Trade payables to related parties	4.55	3.23
Trade payables - others	801.97	34.41
Total	806.52	37.64

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

As at March 31, 2023			Outstanding for following periods from due date of payment				Total
Particulars	Unbilled dues	Not due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	0.66	0.09	-	-	0.75
(b) Others	775.55	12.79	11.74	1.53	1.35	3.56	806.52
Total	775.55	12.79	12.40	1.62	1.35	3.56	807.27
As at March 31, 2022			Outstanding for following periods from due date of payment				Total
Particulars	Unbilled dues	Not due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	0.39	2.25	0.01	-	-	2.65
(b) Others	15.50	5.45	11.23	0.50	2.89	2.07	37.64
Total	15.50	5.84	13.48	0.51	2.89	2.07	40.29

Note: There are no disputed trade payables.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

36 (a)

Related Party Disclosures

List of Related Parties

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

Mr. Ram Subhag Singh (w.e.f. February 1, 2022 upto July 25, 2022) - Chairman
Mr. Anil Kumar Khachi (w.e.f. January 21, 2020 upto October 21, 2021) - Chairman
Mr. Subhashis Panda (w.e.f. October 26, 2021 upto April 29, 2022) - Director
Mr. Ram Dass Dhiman (w.e.f. July 25, 2022 upto January 13, 2023) - Chairman
Mr. Prabodh Saxena (w.e.f. January 13, 2023) - Chairman
Mr. Devesh Kumar (w.e.f. April 29, 2022) - Director
Mr. Vikramjit Singh Oberoi - Director
Mr. Tej Kumar Sibal - Director
Mr. Kallol Kundu - Director and Chief Financial Officer
Mr. Arjun Singh Oberoi - Managing Director
Mr. S. N. Sridhar - Company Secretary and Director (upto September 1, 2021)
Mr. Lalit Kumar Sharma - Company Secretary (w.e.f. October 26, 2021)

(ii) Parent Company

EIH Limited

(iii) Fellow Subsidiaries

Mumtaz Hotels Limited
Oberoi Kerala Hotels and Resorts Limited
EIH Flight Services Ltd, Mauritius (Upto December 22, 2022)
EIH International Ltd
EIH Holdings Ltd
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud

(iv) Associates / Joint Ventures of Parent Company

Associates of Parent Company:

EIH Associated Hotels Limited
La Roseraie De L'atlas
Usmart Education Limited

Joint Ventures of Parent Company:

Mercury Car Rentals Private Limited
Oberoi Mauritius Ltd (including its subsidiary, Island Resort Limited)

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

Oberoi Hotels Private Limited

(vi) Joint Venture Partner

Government of Himachal Pradesh [Refer note 3(ii) and 15(vi)]

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

36 (b)**Transactions with Related Parties for the year ended March 31, 2023**

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year		Rupees in Million	
									Key Management Personnel	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
PURCHASES										
Purchase of goods and services										
EIH Limited	50.04	38.33	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.80	0.24	-	-	-	-
Mumtaz Hotels Limited	-	-	0.05	0.01	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	-	-	-
PT Waka Oberoi Indonesia	-	-	0.12	-	-	-	-	-	-	-
PT Widja Putra Karya	-	-	0.05	-	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	6.02	5.05	-	-	-	-
Total	50.04	38.33	0.22	0.01	6.82	5.29	0.01	-	-	-
EXPENSES										
Directors' sitting fees										
Mr. Arjun Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.24
Mr. Vikramjit Singh Oberoi	-	-	-	-	-	-	-	-	0.20	0.24
Mr. Tej Kumar. Sibal	-	-	-	-	-	-	-	-	0.16	0.16
Mr. S.N. Sridhar	-	-	-	-	-	-	-	-	-	0.08
Mr. Kallol Kundu	-	-	-	-	-	-	-	-	0.16	0.04
Total	-	-	-	-	-	-	-	-	0.72	0.76
SALES										
Sale of goods and services										
EIH Limited	1.42	1.89	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.23	0.22	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.01	-	-
Total	1.42	1.89	-	-	0.23	0.22	-	0.01	-	-

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**PAYMENTS****Refund of collections to related party**

EIH Limited	1.40	0.10	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	2.16	0.60	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.01	-	-	-
Mumtaz Hotels Limited	-	-	0.58	-	-	-	-	-	-	-
Total	1.40	0.10	0.58	-	2.16	0.60	0.01	-	-	-

Expenses reimbursed to related party

EIH Limited	3.23	2.87	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.05	0.65	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.23	-	-
Total	3.23	2.87	-	-	0.05	0.65	-	0.23	-	-

Expenses reimbursed by related party

EIH Associated Hotels Limited	-	-	-	-	0.01	0.05	-	-	-	-
Total	-	-	-	-	0.01	0.05	-	-	-	-

RECEIPTS**Recovery of Collection by Related Party**

EIH Limited	1.53	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.26	-	-	-	-	-
Total	1.53	-	-	-	0.26	-	-	-	-	-

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**36 (c)**

The details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022 are as follows :

NATURE OF TRANSACTIONS	Parent Company		Fellow Subsidiaries		Associates / Joint Ventures of Parent Company		Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year		Rupees in Million	
									Key Management Personnel	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
PAYABLES										
For goods and services										
EIH Limited	3.96	3.21	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.01	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	-	-	0.46	-	-	-	-	-
PT Waka Oberoi Indonesia	-	-	0.12	-	-	-	-	-	-	-
PT Widja Putra Karya	-	-	-	-	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	0.02	-	-
Total	3.96	3.21	0.12	-	0.47	-	-	0.02	-	-
Advance towards equity										
EIH Limited	1,361.93	1,361.93	-	-	-	-	-	-	-	-
Total	1,361.93	1,361.93	-	-	-	-	-	-	-	-
RECEIVABLES										
For goods and services										
EIH Limited	0.01	0.02	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	0.02	0.04	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-
Total	0.01	0.02	-	-	0.02	0.04	-	-	-	-

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to Financial Statements -- Contd.

37

The Company had contingent liabilities at March 31, 2023 in respect of:

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

	Rupees in Million	
	March 31, 2023	March 31, 2022
i. Luxury Tax	10.12	10.12

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

38

Commitments

	Rupees in Million	
	March 31, 2023	March 31, 2022
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment (Net of capital advances)	10.30	0.82

39

Leases

Amount recognised in the Statement of Profit and Loss

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

Particulars	Rupees in Million	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge for the right-of-use assets (vehicle leases)	0.09	0.16
Interest expense (included in Finance costs)	0.05	0.11
Expense relating to short-term leases (included in other expenses)	13.69	1.88
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	-	0.03

The total cash outflows for leases for the year ended March 31, 2023 was Rs. 0.16 million (March 31, 2022 - Rs. 0.31 million) which are presented as part of cash flows from financing activities.

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

	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
Opening balance	0.09	0.25
Additions	-	-
Depreciation	0.09	0.16
Closing balance	-	0.09

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

The following is the break-up of current and non-current lease liabilities:

Particulars	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	-	0.11
Non-current lease liabilities	-	-
Total	-	0.11

The following is the movement in lease liabilities:

Particulars	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
Opening Balance	0.11	0.31
Additions	-	-
Finance cost accrued during the year	0.05	0.11
Payment of lease liabilities	0.16	0.31
Closing Balance	-	0.11

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

Particulars	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
Less than one year	-	0.11
One to five years	-	-
More than five years	-	-
Total	-	0.11

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

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to Financial Statements -- Contd.

40

Segment Reporting

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

41

Earnings per equity share

	Rupees	
	March 31, 2023	March 31, 2022
(a) Basic earnings per share	(9.26)	8.62
(b) Diluted earnings per share	(9.26)	8.62

Rupees in Million

(c) Reconciliations of earnings used in calculating earnings per equity share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	(305.48)	284.62
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	(305.48)	284.62

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

	March 31, 2023	March 31, 2022
	Number of shares	Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	3,30,00,000	3,30,00,000
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	3,30,00,000	3,30,00,000

42

Reconciliation of Liabilities arising from financing activities

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

	As at March 31, 2022	Cash Flows	Non-cash Changes*	Rupees in Million As at March 31, 2023
Non-current borrowings	5.00	-	(5.00)	-
Current borrowings	-	-	5.00	5.00
Lease liabilities	0.11	(0.11)	-	-
Current borrowings	-	-	-	-
Total	5.11	(0.11)	-	5.00

* Refer note 18

	As at March 31, 2021	Cash Flows	Non-cash Changes	As at March 31, 2022
Non-current borrowings (including current maturities of finance lease obligations)	5.00	-	-	5.00
Lease liabilities	0.31	(0.20)	-	0.11
Current borrowings	-	-	-	-
Total	5.31	(0.20)	-	5.11

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.**43****Disclosure on Contract balances :****Trade receivable**

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

Advance from Customers

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

Particulars	Rupees in Million	
	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	16.64	19.03
Recognised as revenue during the year	16.64	19.03
As at the end of the year	12.47	16.64

44

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

45

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

46**Impact of COVID-19 on Business Operations**

The consequences of the COVID-19 outbreak on the Company's business was severe during April and May 2021 and year ended 31 March, 2021. However, with vaccination programs being implemented in India and across the globe, domestic air travel improved and international flights resumed. Consequently, both business and leisure travel resumed, resulting in improved revenue during the year ended March 31, 2023 as compared to the period prior to outbreak of COVID-19 i.e. the corresponding year ended March 31, 2020. With improved business conditions, management based on its assessment, does not foresee stress on liquidity, owing to the availability of liquid funds in the form of cash and cash equivalents and other bank balances (other than earmarked accounts) amounting to Rs. 989.97 Million as on March 31, 2023. Based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets as on March 31, 2023. The impact of COVID-19 on the business may be different from that estimated on the date of approval of these financial statements. The management of the Company will continue to closely monitor any material changes to future economic conditions.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

47

Ratios **

Sl. No.	Ratio	Numerator	Denominator	Year Ended March 31, 2023 [Refer note 3(ii)]	Year Ended March 31, 2022	% Change (increase/ (decrease))
(a)	Current ratio (in times)	Current assets	Current liabilities	2.81	32.77	-91.43% ^
(b)	Debt-equity ratio (in times)	Total debt including lease liabilities (Non-current and current)	Shareholder's equity (Total equity)	0.00*	0.00*	
(c)	Debt service coverage ratio (in times)	Earnings available for debt service = net profit after taxes + depreciation and amortisation expense + finance costs + non-cash operating expenses + other non-cash adjustments	Debt service = interest and lease payments + principal repayments	(4.34)	243.80	-101.78% #
(d)	Return on equity ratio (in %)	Net profit after taxes	Average shareholder's equity	-34.73%	31.99%	-208.56% #
(e)	Inventory turnover ratio (in times)	Consumption of provisions, wines and others	Average inventory (Provisions, wines and others)	3.63	3.65	-0.66%
(f)	Trade receivables turnover ratio (in times)	Credit sales = revenue from operations - cash sales	Average trade receivables	30.38	29.00	4.76%
(g)	Trade payables turnover ratio (in times)	Net credit purchases	Average trade payables	0.79	6.83	-88.47% \$
(h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital = current assets - current liabilities	0.47	0.34	37.57% ^^
(i)	Net profit ratio (in %)	Net profit after taxes	Total income	-38.08%	43.05%	-188.45% #
(j)	Return on capital employed (in %)	Earning before interest and taxes	Capital employed= tangible net worth + total debt + deferred tax liability	-44.57%	37.05%	-220.27% #
(k)	Return on investment (in %)	Income generated from investments	Time weighted average investments	NA	NA	

** Based on the requirements of schedule III.

* Value is less than 0.01

^ The decrease is mainly due to an increase in current liabilities as at the current year end viz. a viz. the previous year end.

The decrease is mainly due to exceptional items recorded during the year

\$ The decrease is mainly due to increase in average trade payables as at the current year end as compared to the previous year end.

^^ The increase is mainly due to increase in revenue from operations during the current year as compared to the previous year on account of improved business conditions.

48

Other Statutory Information

- Title deeds of immovable properties are in the name of the Company, other than as disclosed in note 4(iii).
- The Company was not holding any benami property and no proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.
- The Company had not traded or invested in Crypto currency or Virtual Currency during year ended 31 March, 2023.
- The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company has not received any funds (which are material either individually or in the aggregate) from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company had not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

MASHOBRA RESORT LIMITED

CIN: U55101HP1995PLC017440

Notes to the Financial Statements -- Contd.

49

The financial statements were approved for issue by the Board of Directors on May 9, 2023.

For and on behalf of the Board of Directors

Arjun Singh Oberoi
Managing Director
(DIN No: 00052106)

Tej Kumar Sibal
Director
(DIN No: 00038992)

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

Lalit Sharma
Company Secretary

Place: New Delhi

Date: May 9, 2023