

## **Independent Auditor's report on Special purpose IND-AS Financial Statements**

To the members / Management / Board of Directors

### **OYO Hotel Management (Shanghai) Co., Ltd.**

We have audited the accompanying Special purpose standalone financial statements of **OYO Hotel Management (Shanghai) Co., Ltd.** ("the Company") comprise the Balance sheet as at December 31, 2019, the Statement of Profit and Loss, including the statement of changes in Equity, the Cash Flow Statement and the Statement of Changes in Equity for the period from January 01, 2019 to December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together herein referred to as "Special Purpose Standalone Financial Statements" or "financial statements" or "Standalone Financial Statements"). This Special purpose financial information has been prepared solely in connection with the proposed Initial Public Offer ("IPO") of Oravel Stays Private Limited (the "Group Company") in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Standalone Financial Statements are in compliance with the basis of preparation explained in the financial statements including Basis for Opinion paragraph below.

### **Basis for Opinion**

The underlying Standalone Financial Statements of the Company for the year ended December 31, 2019 has been prepared in accordance with the applicable Accounting Standards for Business Enterprises ("ASBEs") in China and converted into to Indian rupee (INR) as per IND-AS 21 – "The Effects of Changes in Foreign Exchange Rates". We have not audited the financial statements as per the local GAAP; and have relied upon the report from the local auditor in China used for the purpose of converting the balances from local currency into Indian rupee (INR) which is the Group company's (Oravel Stays Private Limited) functional and presentation currency.

The Special Purpose Standalone Financial Statements do not include all the information and disclosures normally included in annual financial statements. Only those disclosures as considered appropriate by the Management have been considered in these Standalone Financial Statements. Further, management opts not to disclose comparative numbers in the financial statements.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Management / Board of Directors is responsible for the preparation of these standalone 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 accounting principles of the Company. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

### **Restriction on Use and Distribution**

As disclosed in basis of opinion paragraph; these Special Purpose Standalone Financial Statements have been prepared solely for management's internal financial reporting purpose and is intended solely for the information and use of the Management / Board of directors of the Company or Group Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

**For and on behalf of**

**Mukesh Raj & Co.**

*Chartered Accountants*

**Firm Registration No. 016693N**



**Mukesh Goel**

Partner

**Membership no: 094837**

**UDIN: 21094837AAAAJI2345**



**Place: Delhi**

**Date: September 21, 2021**

OYO Hotel Management (Shanghai) Co., Ltd.  
Balance Sheet as at 31 December 2019  
Amount in Indian Rupees Millions, unless stated otherwise

ASSETS	Note V	2019	2018
Current assets			
Currency funds	1	1,881.97	-
Accounts receivable	2	32.23	-
Prepayments	3	1,967.74	-
Other receivables	4	668.85	-
Inventories	5	108.13	-
Other current assets	6	566.45	-
Total current assets		5,225.37	-
Non-current assets			
Fixed assets	7	2.28	-
Intangible assets	8	247.14	-
Long-term prepaid expenses	10	49.52	-
Total non-current assets		298.94	-
Total assets		5,524.31	





**OYO Hotel Management (Shanghai) Co., Ltd.**  
**Balance Sheet as at 31 December 2019 (Continued)**  
Amount in Indian Rupees Millions, unless stated otherwise

LIABILITIES AND EQUITY	Note V	2019	2018
Current liabilities			
Accounts payable		106.49	-
Receipts in advance		1.64	-
Employee benefits payable	12	1,958.50	-
Taxes and surcharges payable	13	86.49	-
Other payables		11,644.21	-
Total current liabilities		13,797.33	-
Total liabilities		13,797.33	-
Equity			
Paid-in capital	14	17,146.45	-
Capital reserves	15	31.18	-
Uncompensated losses	16	(25,181.87)	-
Exchange differences on translating the financial statements of a foreign operation		(268.77)	-
Total equity		(8,273.01)	-
Total liabilities and equity		5,524.32	-

*The accompanying notes are an integral part of the standalone financial statements*

*As per our report of even date*

**For Mukesh Raj & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016693N

*[Signature]*  
**per Mukesh Goel**

Partner

Membership No. : 094837



Place: New Delhi

Date: September 21, 2021

For and on behalf of

**OYO Hotel Management (Shanghai) Co., Ltd.**

*[Signature]*  
**Rakesh Kumar**

Authorized signatory

Place: Gurugram

Date: September 21, 2021



OYO Hotel Management (Shanghai) Co., Ltd.  
Income Statement for the year ended 31 December 2019  
Amount in Indian Rupees Millions, unless stated otherwise

	Note V	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Revenue	17	2,039.11	-
Less: Cost of sales		3,240.71	-
Taxes and surcharges		5.88	-
Selling expenses		16,758.87	-
Administrative expenses		2,729.25	-
Research and development expenses		2,571.06	-
Finance income	18	(80.07)	-
Including: Interest income			-
Add: Other income	19	47.36	-
Less: Impairment losses	20	1,509.43	-
Operating loss		(24,648.66)	-
Add: Non-operating income	21	0.01	-
Less: Non-operating expenses	22	533.22	-
Loss before income taxes		(25,181.87)	-
Less: Income tax expenses	24	-	-
Loss		(25,181.87)	-
<b>Other comprehensive income</b>			
Exchange differences on translating the financial statements of a foreign operation		(268.77)	-
Income tax effect		-	-
Total comprehensive loss		(25,450.64)	-

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For Mukesh Raj & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016693N

per **Mukesh Goel**

Partner

Membership No. : 094837



Place: New Delhi

Date: September 21, 2021

For and on behalf of

**OYO Hotel Management (Shanghai) Co., Ltd.**

**Rakesh Kumar**

Authorized signatory

Place: Gurugram

Date: September 21, 2021

OYO Hotel Management (Shanghai) Co., Ltd.  
Statement of change in equity for the year ended 31 December 2019  
Amount in Indian Rupees Millions, unless stated otherwise

31 December 2019.

	Paid-in capital	Capital reserves	Uncompensated losses	Exchange differences on translating the financial statements of a foreign operation	Total equity
I. Balance at end of prior year					
II. Changes for the year					
1. Total comprehensive income	-	-	(25,181.87)	(268.77)	(25,450.64)
2. Owners' contributions and reduction in capital					
(1) Capital contributions by owners	17,146.45	-	-		17,146.45
(2) Amount of share-based payments recognised in equity		31.18			31.18
III. Balance at end of year	17,146.45	31.18	(25,321.38)	(268.77)	(8,273.01)



OYO Hotel Management (Shanghai) Co., Ltd.  
**Statement of change in equity for the year ended 31 December 2019 (Continued)**  
Amount in Indian Rupees Millions, unless stated otherwise

From 11 December 2018 (date of incorporation) to 31 December 2018

	Paid-in capital	Capital reserves	Uncompensated losses	Exchange differences on translating the financial statements of a foreign operation	Total equity
I. Balance at end of prioryear					
II. Changes for the year					
1. Total comprehensive income	-	-	-	-	-
2. Owners' contributions and reduction in capital	-	-	-	-	-
(1) Capital contributions by owners	-	-	-	-	-
(2) Amount of share-based payments recognised in equity	-	-	-	-	-
III. Balance at end of year	-	-	-	-	-

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

**For Mukesh Raj & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016693N

*[Signature]*  
**per Mukesh Goel**

Partner

Membership No. : 094837

Place: New Delhi

Date: September 21, 2021



For and on behalf of

**OYO Hotel Management (Shanghai) Co., Ltd.**

*[Signature]*  
**Rakesh Kumar**

Authorized signatory

Place: Gurugram

Date: September 21, 2021



OYO Hotel Management (Shanghai) Co., Ltd.  
Statement of cash flows for the year ended 31 December 2019  
Amount in Indian Rupees Millions, unless stated otherwise

	Note V	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from the sale of goods and the rendering of services		1776.82	-
Receipts of taxes and surcharges refunds		47.36	-
Other cash receipts relating to operating activities		15.22	-
		1839.40	-
Total cash inflows from operating activities			-
Cash payments for goods and services		2329.25	-
Cash payments to and on behalf of employees		13183.55	-
Payments of all types of taxes and Surcharges		3.49	-
Other cash payments relating to operating activities		6527.33	-
		22043.62	-
Total cash outflows from operating activities			-
Net cash flows from operating activities	25	(20,204.22)	-
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash payments to acquire fixed assets, intangible assets and other long-term assets		1019.90	-
Other cash payments relating to investing activities		1057.86	-
		2077.76	-
Total cash outflows from investing activities			-
Net cash flows from investing activities		(2,077.76)	-



OYO Hotel Management (Shanghai) Co., Ltd.  
Statement of cash flows for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

	Note V	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from investments by others		16920.83	-
Cash receipts from borrowings		7220.75	-
Total cash outflows from financing activities		24141.59	-
Net cash flows from financing activities		24141.59	-
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		22.37	-
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		1881.97	-
Add: Cash and cash equivalents at beginning of year		-	-
6. CASH AND CASH EQUIVALENTS AT END OF YEAR	26	1881.97	-

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Mukesh Raj & Co.

Chartered Accountants

ICAI Firm Registration Number: 016693N

*Mukesh*  
per Mukesh Goel  
Partner  
Membership No. : 094837



Place: New Delhi

Date:

For and on behalf of

OYO Hotel Management (Shanghai) Co., Ltd.

*Rakesh Kumar*  
Rakesh Kumar  
Authorized signatory

Place: Gurugram

Date:

OYO Hotel Management (Shanghai) Co., Ltd.

Notes to the financial statements for the year ended 31 December 2019

Amount in Indian Rupees Millions, unless stated otherwise

## I. Corporate information

OYO Hotel Management (Shanghai) Co., Ltd. (the "Company") is a limited liability company registered in Shanghai, Guangzhou. The company was established on December 11, 2018. The company is located at No. 12, NO. 1021, Sanshuang Road, Gangxi Town, Chongming District, Shanghai, Chongming District, Shanghai.

The scope of company business is: information, computer, software technology in the field of technology development, technology transfer, technology consulting, consulting services, business management consulting, Hotel management, ticketing agency services.

The immediate holding company of the company is OYO Technology and Hospitality (China) PTE. Ltd. established in Singapore, and the ultimate holding company is Oravel Stays PTE Ltd. established in India.

## II. Basis of preparation of the financial statements

The preparation of financial statements in conformity with the China adopted applicable Accounting Standards for Business Enterprises ("ASBEs") in China requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. These financials have been audited by local auditor under local GAAP and have issued audit report dated May 20, 2019 on the financial statements.

The audited financial denominated in local currency "pound" have been converted by the management into India Rupees (INR) as per Local GAAP "The effect of changes in foreign exchange rates" for the purpose of proposed Initial Public Offer (IPO) of Oravel Stays Private Limited (the Group Company) in India.

The financial statements have been prepared under the historical cost convention.

### Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial positions of the Company as at 31 December 2019, and the financial performance and the cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.





### III. Significant accounting policies and estimates

The financial information presented as at 31 December 2019 financial statements was prepared based on the following significant accounting policies and estimates under ASBES.

#### 1. Accounting year

The accounting year of the Group is a calendar year, i.e., from 1 January to 31 December of each year.

#### 2. Functional currency

The Company's functional and presentation currency is Renminbi ("RMB"). The currency unit is RMB Yuan except for special instructions.

#### 3. Cash and cash equivalents

Cash comprises the Company's cash on hand and bank deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

#### 4. Foreign currency transactions

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded, on initial recognition in the functional currency using the spot exchange rates prevailing at the dates of transactions occur. Monetary items denominated in foreign currencies are translated at the spot exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

Foreign currency cash flows are translated using the average exchange rates for the period during which the cash flows occur. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

#### 5. Financial instruments

##### Recognition and derecognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.



III. Significant accounting policies and estimates (continued)

6. Financial instruments (continued)

Recognition and derecognition (continued)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's account and balance sheet) when:

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

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

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. The trade date is the date that the Group committed to purchase or sell a financial asset.

Classification and measurement of financial instruments

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus any directly attributable transaction costs that are attributable to the acquisition of the financial assets, and are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from amortisation or impairment are recognised in profit or loss.

The Company recognises a loss for impairment where there is objective evidence that an impairment loss on a financial asset has been incurred. The Company assesses whether impairment exists individually for financial assets that are individually significant. If there is objective evidence that an impairment has been incurred, an impairment loss is recognised in profit or loss. The Company assesses whether impairment exists for financial assets that are not individually significant, collectively on the basis of groups of financial assets with similar credit risk characteristics. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.





III. Significant accounting policies and estimates (continued)

5. Financial instruments (continued)

Classification and measurement of financial instruments (continued)

The carrying amount of the financial asset is reduced to the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred) through the use of an allowance account and the loss is recognised in profit or loss. If there is objective evidence of a recovery in the value of the financial asset and the recovery is related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and recognised in profit or loss.

*Other financial liabilities*

Such financial liabilities are initially recognised at fair value less any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Transfer of financial assets

A financial asset is derecognised when the Company has transferred substantially all the risks and rewards of the financial asset to the transferee. A financial asset is not derecognised when the Company retains substantially all the risks and rewards of the financial asset.

When the Company has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the financial asset to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability.

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

6. Inventories

Inventories are initially carried at cost. Cost of inventories are mainly costs of purchase. Cost is determined on the first-in, first-out basis. Turnover materials include low value consumables and packing materials, which are on the immediate write-off basis.





III. Significant accounting policies and estimates (continued)

6. Inventories (continued)

At the balance sheet date, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. When the circumstances that previously caused the inventories to be written down below cost no longer exist, in which case the net realisable value of inventories becomes higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down, and is recognised in profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Raw materials and finished goods are written down item by item when the reserve for stock price reduction is calculated.

Inventories include using materials. The using materials purchased by our company for hotels in operation are mainly cotton fabrics, including towels and bedding which need to be replaced periodically. Using materials shall be amortized according to the actual service life after they are taken over, and the amortization life shall be one year. Using materials are reported as purchasing cost deducts amortized amount.

7. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Company and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss as incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation is calculated using the straight-line method. The useful lives, estimated residual value rates and annual depreciation rates of each category of the fixed assets areas follows:

	Useful life	Estimated residual value rate	Annual depreciation rate
Computer Equipment	3 years	0%	33.33%
Office Equipment and Furniture	3 years	0%	33.33%

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make adjustments if necessary.



**III. Significant accounting policies and estimates (continued)**

**8. Intangible assets**

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. And intangible assets are measured initially at cost.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Company. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Company.

The useful lives of the intangible assets are as follows:

	Useful life
Software	3 years

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Company reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

**9. Research and development expenditures**

The Company classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred.

Expenditure on the development phase is capitalised only when the Company can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

**10. Long-term prepaid expenses**

Long-term prepaid expenses are amortised using the straight-line method as follows:

	Amortisation period
Expenditure on decoration and renovation of operating hotels	2-3 years



**III. Significant accounting policies and estimates (continued)**

**11. Impairment of assets**

The Company determines the impairment of assets, other than the impairment of inventories, financial assets, using the following methods:

The Company assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Company estimates the recoverable amount of the asset and performs impairment testing.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Company estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Company. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

**12. Employee benefits**

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Company to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

Post-employment benefits (defined contribution plan)

The employees of the Company participate in a pension scheme and unemployment insurance managed by the local government, the corresponding expenses shall be included in the cost of related assets or profit or loss.

**13. Revenue**

Revenue is recognised when it is probable that the associated economic benefits will flow into the Company and when the revenue can be measured reliably, on the following bases:





III. Significant accounting policies and estimates (continued)

13. Revenue (continued)

Revenue from the rendering of services

Where the Company provides hotel room service to a directly operated hotel, revenue is recognized when the hotel room service has been provided and the right to receive a service fee has been obtained.

Franchise fee income

According to relevant contracts or agreements, revenue is recognized on an accrual basis. Interest income

Interest income is recognised on a time proportion basis for which the Company's currency funds are used by others and by the effective interest rate.

14. Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or expense in profit or loss, or recognised directly in equity if it arises from a business combination or relates to a transaction or event which is recognised directly in equity.

Current tax liabilities or assets arising from the current and prior periods at the amount expected to be paid by the Company or returned by the tax authority calculated according to related tax laws.

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except: when the taxable temporary difference arises from a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except: when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



OYO Hotel Management (Shanghai) Co., Ltd.

Notes to the financial statements for the year ended 31 December 2019 (Continued)

Amount in Indian Rupees Millions, unless stated otherwise

**III. Significant accounting policies and estimates (continued)**

**14. Income tax (continued)**

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Company has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**15. Leases**

A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset. An operating lease is a lease other than a finance lease.

As lessee of an operating lease

Lease payments under an operating lease are recognised by a lessee on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss.

**16. Significant accounting judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.





### III. Significant accounting policies and estimates (continued)

#### 16. Significant accounting judgements and estimates (continued)

##### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

##### *Impairment of non-current assets other than financial assets*

The Company assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### *Development expenditures*

Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash flows from the assets, discount rates to be applied and the expected period of benefits.

#### 17. Other changes in accounting policies and accounting estimates

##### *Changes in presentation of financial statements*

To meet the requirements of the Notice on Revising and Issuing Format of 2019 Financial Statements for General Business Enterprises (Cai Kuai [2019] No.6) and the Notice on Revising and Issuing Format of Consolidated Financial Statements (2019 edition) (Cai Kuai [2019] No.16), in the balance sheet, the amount previously presented in "accounts receivable" shall be presented separately in "accounts receivable"; the amount previously presented in "accounts payable" shall be presented separately in "accounts payable". In the income statement, the amount presented in "research and development expenses" not only include the expenditures incurred and directly charged to profit or loss during the research and development process, but also the amortisation of self-developed intangible assets previously presented in "administrative expenses".

Since the Company doesn't have any business during the period from 11 December 2018 (date of incorporation) to 31 December 2018. Adoption of the new accounting policies doesn't have any impact on the Company.





**OYO Hotel Management (Shanghai) Co., Ltd.**  
**Notes to the financial statements for the year ended 31 December 2019 (Continued)**  
**Amount in Indian Rupees Millions, unless stated otherwise**

**IV. Taxes**

The Company is mainly subject to the following taxes and the respective tax rates of the Company for the current year are as follows:

Value-added tax	–	VAT payable is the difference between VAT output and less deductible VAT input for the current period. VAT output has been calculated by applying a rate of 6% to the taxable value.
Corporate income tax	–	It is levied at 25% on the taxable profit.
Withholding Personal income tax	–	The salaries paid by the company to employees shall be withheld by the company in accordance with the Tax Law.

**V. Notes to key items of the financial statements**

**1. Currency funds**

	2019	2018
Cash at banks	1881.97	-

At 31 December 2019, the company had no restricted currency funds.

**2. Accounts receivable**

	2019	2018
Accounts receivable	393.38	
Less: Provision for bad debts	361.15	-
	32.23	-

At 31 December 2019, the company had no restricted accounts receivable. The credit period of accounts receivable is usually 1-3 months. Accounts receivable are not interest-bearing.

An ageing analysis of accounts receivable is as follows:

	2019	2018
Within 1 year	393.38	-
Less: Provision for bad debts	361.15	-
	32.23	-



OYO Hotel Management (Shanghai) Co., Ltd.  
**Notes to the financial statements for the year ended 31 December 2019 (Continued)**  
Amount in Indian Rupees Millions, unless stated otherwise

**V. Notes to key items of the financial statements (continued)**

**2. Accounts receivable (continued)**

The movements in provision for bad debts of accounts receivable are as follows:

	Opening balance	Provision	Reversal	Write-off	Closing balance
2019	-	361.15	-	-	361.15

**3. Prepayments**

An ageing analysis of prepayments is as follows:

	2019	2018
Within 1 year	<u>1967.74</u>	<u>-</u>

**4. Other receivables**

An ageing analysis of other receivables is as follows:

	2019	2018
Within 1 year	962.67	-
Less: Provision for bad debts	<u>293.82</u>	<u>-</u>
	<u>668.85</u>	<u>-</u>

The movements in provision for bad debts of other receivables are as follows:

	Opening balance	Provision	Reversal	Write-off	Closing balance
2019	-	293.82	-	-	293.82

**5. Inventories**

	2019	2018
Using materials	<u>108.13</u>	<u>-</u>

At 31 December 2019, the company had no restricted inventory.



OYO Hotel Management (Shanghai) Co., Ltd.

Notes to the financial statements for the year ended 31 December 2019 (Continued)

Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

6. Other current assets

	2019	2018
Expenditure on decoration and renovation of franchised hotels	616.40	-
Input VAT to be credited	387.36	-
Others	11.13	-
	<u>1014.89</u>	<u>-</u>
Less: Provision for impairment of other current assets	448.44	-
	<u>566.45</u>	<u>-</u>

The movements in provision for impairment of other current assets are as follows:

	Opening balance	Provision	Reversal	Write-off	Closing balance
2019	-	448.44	-	-	448.44





OYO Hotel Management (Shanghai) Co., Ltd.

Notes to the financial statements for the year ended 31 December 2019 (Continued)

Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

7. Fixed assets

2019

	Computer Equipment	Office Equipment and Furniture	Total
Cost			
Opening balance	-	-	-
Purchases	0.54	2.16	2.70
Closing balance	0.54	2.16	2.70
Accumulated depreciation			
Opening balance	-	-	-
Depreciation provided during the year	0.09	0.33	0.42
Closing balance	0.09	0.33	0.42
Carrying amount			
At end of year	0.45	1.83	2.28
At beginning of year	-	-	-

Period From 11 December 2018 (date of incorporation) to 31 December 2018

	Computer Equipment	Office Equipment and Furniture	Total
Cost			
Opening balance	-	-	-
Purchases	-	-	-
Closing balance	-	-	-
Accumulated depreciation			
Opening balance	-	-	-
Depreciation provided during the year	-	-	-
Closing balance	-	-	-
Carrying amount			
At end of year	-	-	-
At beginning of year	-	-	-



OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

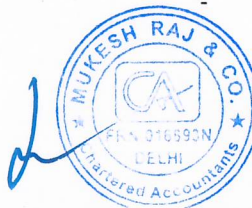
8. Intangible assets

2019

	Software from purchase	Software of internal R&D	Total
Cost			
Opening balance	-	-	-
Purchases	8.26	-	8.26
Transfers from development expenditures	-	333.81	333.81
Closing balance	8.26	333.81	342.07
Accumulated depreciation			
Opening balance	-	-	-
Depreciation provided during the year	2.20	92.73	94.93
Closing balance	2.20	92.73	94.93
Accounting amount			
At end of year	6.06	241.08	247.14
At beginning of year	-	-	-

Period From 11 December 2018 (date of incorporation) to 31 December 2018

	Software from purchase	Software of internal R&D	Total
Cost			
Opening balance	-	-	-
Purchases	-	-	-
Transfers from development expenditures	-	-	-
Closing balance	-	-	-
Accumulated depreciation			
Opening balance	-	-	-
Depreciation provided during the year	-	-	-
Closing balance	-	-	-
Accounting amount			
At end of year	-	-	-
At beginning of year	-	-	-



OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

9. Development expenditures

2019

	Opening balance	Increase	Decrease		Closing balance
			Recognised as intangible assets	Included in profit or loss	
Software	-	333.81	333.81	-	-

Period From 11 December 2018 (date of incorporation) to 31 December 2018

	Opening balance	Increase	Decrease		Closing balance
			Recognised as intangible assets	Included in profit or loss	
Software	-	-	-	-	-

10. Long-term prepaid expenses

	2019	2018
Expenditure on decoration and renovation of direct-operated hotels	49.52	

11. Provision for impairment of assets

2019

	Opening balance	Provision for the year	Decrease for the year	Closing balance
			Reversal Transfer/Write-off	
Provision for baddebts	-	654.97	-	654.97
Provision for impairment of other current assets	-	448.44	-	448.44
Provision for write-down of inventories	-	117.51	-	-
Provision for impairment of long-term deferred assets	-	296.36	-	296.36
	-	1517.28	-	1399.76

2018

	Opening balance	Provision for the year	Decrease for the year	Closing balance
			Reversal Transfer/Write-off	
Provision for bad debts	-	-	-	-





OYO Hotel Management (Shanghai) Co., Ltd.

Notes to the financial statements for the year ended 31 December 2019 (Continued)

Amount in Indian Rupees Millions, unless stated otherwise

**V. Notes to key items of the financial statements (continued)**

**12. Employee benefits payable**

	2019	2019	From 11 December 2018 (date of incorporation) to 31 December 2018	31 December 2018
	Amount payable	Outstanding amount	Amount payable	Outstanding amount
Salaries, bonuses, allowances and subsidies	12264.60	1851.69	-	-
Staff welfare	244.46	10.64	-	-
Social security	826.47	32.37	-	-
Including: Medical insurance	703.99	25.78	-	-
Work injury insurance	30.49	0.69	-	-
Maternity insurance	68.91	2.71	-	-
Guarantee for the Disabled	23.08	3.19	-	-
Housing funds	727.79	19.02	-	-
	<u>14063.32</u>	<u>1913.72</u>	-	-
Defined contribution plan	1481.00	44.78	-	-
Including: Basic pension insurance	1432.68	43.42	-	-
Unemployment insurance	48.32	1.36	-	-
	<u>15544.32</u>	<u>1958.50</u>	-	-

**13. Taxes and surcharges payable**

	2019	2018
Individual income tax	84.08	-
Stamp tax	2.41	-
	<u>86.49</u>	-



OYO Hotel Management (Shanghai) Co., Ltd.

Notes to the financial statements for the year ended 31 December 2019 (Continued)

Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

14. Paid-in capital

Registered capital

	<u>2019</u>		<u>2018</u>	
	US\$	Percentage	US\$	Percentage
OYO Technology and Hospitality (China) PTE. LTD	<u>400.00</u>	<u>100%</u>	<u>-</u>	<u>-</u>

Paid-in capital

	<u>2019</u>		<u>2018</u>	
	US\$	INR	US\$	INR
OYO Technology and Hospitality (China) PTE. LTD	<u>242.60</u>	<u>17,146.45</u>	<u>-</u>	<u>-</u>

15. Capital reserves

2019

	Others
Opening balance	-
The amount of share-based payments recorded in owners' equity	<u>31.18</u>
Closing balance	<u>31.18</u>

The ultimate controller of the company Oravel Stays Private Limited and the parent company OYO TECHNOLOGY AND HOSPITALITY(CHINA) PTE.LTD have implemented a share option scheme with the purpose of motivating and rewarding persons who have contributed to the operation of the company. Eligible persons include the directors and senior management of the company.

The newly recognized share option cost of the company in 2019 is RMB 3,031,878.33. The fair value of the equity settled share option granted on the grant date is estimated by using binomial model in combination with the terms and conditions of the share option granted.



OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

16. Uncompensated losses

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Balance at beginning of the current year/ period	-	-
Add: net loss in current year/ period	(25,181.87)	-
Balance at end of the current year/ period	(25,181.87)	-

17. Revenue

Revenue is as follows:

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Primary business	1232.51	-
Other businesses	806.60	-
	2039.11	-

Revenue is as follows:

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Rendering of services		-
	2039.11	





OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

18. Finance income

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Bank service charge	(1.78)	-
Interest expense	(1.56)	-
Interest income	15.21	-
Foreign exchange differences	68.50	-
Others	(0.30)	-
	<u>80.07</u>	-

19. Other income

	2019	From 25 January 2018 (date of incorporation) to 31 December 2018
Fees refunded for individual income tax withheld	47.36	-

20. Impairment losses

	2019	From 25 January 2018 (date of incorporation) to 31 December 2018
Loss from bad debts	651.58	-
Loss from impairment of other current assets	446.12	-
Loss from impairment of long-term deferred assets	294.83	-
Loss from write-down of inventories	116.90	-
	<u>1509.43</u>	-



OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

21. Non-operating income

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Others	0.01	-

22. Non-operating expenses

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Losses arising from damage and obsolescence of assets	497.67	-
Termination payments of operating hotels	35.55	-
	533.22	-

23. Expenses by nature

The company's operating costs, sales expenses, R&D expenses and management expenses are classified according to their nature as follows:

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Employee benefits	15131.93	-
Advertising promotion expenditure	4446.56	-
Depreciation and amortization	955.65	-
Recruitment fee	823.20	-
Travel fee	681.57	-
Rental fee	423.27	-
Outsourcing service fees	419.10	-
Communication fee	219.86	-
Others	2198.75	-
	25299.89	-



OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

V. Notes to key items of the financial statements (continued)

24. Income tax expenses

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
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Current tax	-	-
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The reconciliation between income tax expenses and loss before income taxes is as follows:

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Total loss	(25181.87)	-
Tax at the statutory tax rate (Note 1)	(6295.47)	-
Expenses not deductible for tax	3.12	-
Unrecognized deductible loss	6292.35	-
	-	-

Note 1: The income tax of the Company has been provided at the applicable rate on the estimated assessable taxable profits arising in Mainland China.

25. Cash flows from operating activities

Reconciliation of net profit to net cash flows from operating activities:

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Net loss	(25181.87)	-
Add: Provisions for asset impairment	1509.43	-
Depreciation of fixed assets	0.42	-
Amortization of intangible assets	94.43	-
Amortization of long-term prepaid expenses	124.34	-
Losses from the disposal of assets	497.67	-
Share payment fee	30.77	-
Finance expenses	(12.65)	-
Increase in inventories	(224.47)	-
Increase in operating receivables	(2894.97)	-
Increase in operating payables	5852.67	-
Net cash flows from operating activities	(20204.23)	-





OYO Hotel Management (Shanghai) Co., Ltd.  
**Notes to the financial statements for the year ended 31 December 2019 (Continued)**  
Amount in Indian Rupees Millions, unless stated otherwise

**V. Notes to key items of the financial statements (continued)**

**26. Cash and cash equivalents**

	2019	2018
Cash		
Including: bank deposits on demand	1881.97	-
		From 11 December 2018 (date of incorporation) to 31 December 2018
	2019	
Closing balance of cash	1881.97	
Less: Opening balance of cash	-	-
Net increase in cash and cash equivalents	1881.97	-

**VI. Financial instruments and related risks**

**1. Financial instruments by category**

Carrying amounts of each category of financial instruments at the balance sheet date areas follows:

2019

Financial assets

	Loans and receivables
Currency funds	1881.97
Accounts receivable	32.23
Other receivables	668.85
	2583.05

Financial liabilities

	Other financial liabilities
Accounts payable	106.49
Other payables	11644.21
	11750.70



**VI. Financial instruments and related risks (continued)**

**2. Risks of financial instruments**

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The Group's policies are summarised below.

**Credit risk**

The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The Company does not have a significant concentration of credit risk.

The maximum exposure to credit risk of the Group's financial assets is equal to the carrying amounts.

For each balance sheet date, the term of each financial asset is analyzed as follows: 2019

	Total	Not overdue	Overdue		
			Within 1 month	1-3 month	Over 3 month
Accounts receivable	32.23	32.23	-	-	-
Other receivables	668.85	668.85	-	-	-
	701.08	701.08	-	-	-

At 31 December 2019, accounts receivable and other receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

At 31 December 2019, accounts receivable and other receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Company. Based on past experience, the Company considers that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable. The Company does not hold any collateral or other credit enhancements over these receivables.



## VI. Financial instruments and related risks (continued)

### 2. Risks of financial instruments (continued)

#### Liquidity risk

The Company aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Company finances its working capital requirements through a combination of funds generated from operations and other borrowings.

The following table summarizes the maturity analysis of financial liabilities based on non-discounted contract cash flows:

2019

	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	106.49	-	-	-	106.49
Other payables	11644.21	-	-	-	11644.21
	11750.70	-	-	-	11750.70

#### Market risk

##### Currency risk

The Company has currency exposures arising from sales or purchases by operating units in currencies other than the units' functional currencies.

At 31 December 2019, if the exchange rate of RMB/USD had weakened/strengthened by 5%, with all other variables held constant, the Group's net profit would have been increased/(decreased) by RMB28,296,034.09 (2018: Nil).

### 3. Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for owners and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to owners, return capital to owners, issue new shares.

## VII. Fair value

Management has assessed currency funds, accounts receivable, other receivables, accounts payable, other payables and other similar instruments. Given the short term maturities, the fair values approximate to the carrying values.





**VIII. Related party relationships and transactions**

**1. Parent**

Name of the parent	Registered address	Nature of business	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)	Registered capital
OYO Technology and Hospitality (China) PTE. LTD	Singapore	Services	100%	100%	US\$2,200,000.00

The ultimate controller of the company is Oravel Stays Private Limited.

**2. Other related party**

**Related party relationships**

Oravel Stays Private Limited	Ultimate holding company
Oravel Stays Singapore Pte Ltd	Other entities controlled by the ultimate holding company
OYO Hospitality and Technology (Shenzhen) Co., Ltd.	Other entities controlled by the ultimate holding company
OYO corporate service (Shanghai) Co., Ltd.	Other entities controlled by the ultimate holding company
Beijing Shell Space Technology Co., Ltd	Other entities controlled by the ultimate holding company
OYO Investment (Shanghai) Co. Ltd	Other entities controlled by the ultimate holding company
OYO Rooms Hospitality SDN BHD Malaysia	Other entities controlled by the ultimate holding company
OYO Hotel LLC USA	Other entities controlled by the ultimate holding company
OYO Rooms Indonesia	Other entities controlled by the ultimate holding company
OYO Room Japan	Other entities controlled by the ultimate holding company



**VIII. Related party relationships and transactions (continued)**

**3. Major transactions between the Group and its related parties**

**(1) Provision of services**

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
OYO Hospitality and Technology (Shenzhen) Co., Ltd.	727.76	-

The price charged by the company for the services provided by the affiliated companies shall be determined by the method of cost plus

**(2) Expense paid on behalf of a related party**

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
Beijing Shell Space Technology Co., Ltd	425.00	-
OYO Hospitality and Technology (Shenzhen) Co., Ltd.	420.65	-
OYO Room Japan	25.07	-
OYO Hotel LLC USA	5.97	-
OYO Rooms Indonesia	2.49	-
OYO Rooms Hospitality SDN BHD Malaysia	1.27	-
	<u>880.45</u>	<u>-</u>



OYO Hotel Management (Shanghai) Co., Ltd.  
Notes to the financial statements for the year ended 31 December 2019 (Continued)  
Amount in Indian Rupees Millions, unless stated otherwise

VIII. Related party relationships and transactions (continued)

3. Major transactions between the Group and its related parties (continued)

(3) A related party paid on behalf of the company

	2019	From 11 December 2018 (date of incorporation) to 31 December 2018
OYO corporate service (Shanghai) Co., Ltd.	2380.06	-
OYO Hospitality and Technology (Shenzhen) Co., Ltd.	1192.21	-
OYO Technology and Hospitality (China) PTE. LTD	87.20	-
Oravel Stays Singapore Pte Ltd	10.74	-
Oravel Stays Private Limited	0.46	-
OYO Investment (Shanghai) Co. Ltd	0.39	-
	<u>3671.06</u>	-

4. Balance of receivables and payables with related parties

(1) Other receivables

	31 December 2019	31 December 2018
Beijing Shell Space Technology Co., Ltd	427.21	-
OYO Room Japan	25.20	-
OYO Hotel LLC USA	6.00	-
OYO Rooms Indonesia	2.50	-
OYO Rooms Hospitality SDN BHD Malaysia	1.27	-
	<u>462.18</u>	-





**OYO Hotel Management (Shanghai) Co., Ltd.**  
**Notes to the financial statements for the year ended 31 December 2019 (Continued)**  
Amount in Indian Rupees Millions, unless stated otherwise

**VIII. Related party relationships and transactions (continued)**

**4. Balance of receivables and payables with related parties (continued)**

**(2) Other payables**

	31 December 2019	31 December 2018
OYO Technology and Hospitality (China) PTE. LTD	7345.91	-
OYO corporate service (Shanghai) Co., Ltd.	2392.42	-
OYO Hospitality and Technology (Shenzhen) Co., Ltd.	44.03	-
Oravel Stays Singapore Pte Ltd	10.79	-
Oravel Stays Private Limited	0.46	-
OYO Investment (Shanghai) Co. Ltd	0.39	-
	<u>9794.00</u>	<u>-</u>

There is no interest bearing, no mortgage and no fixed repayment period for the payable to related parties.

**IX. Leases As**

**lessee**

Significant operating leases: According to the leases entered into with the lessors, the minimum lease payments under non-cancellable leases are as follows:

	2019	2018
Within 1 year, inclusive	<u>106.17</u>	<u>-</u>

**X. Events after the balance sheet date**

Up to the date of approval of this financial statement, the company has no events after the balance sheet date that need to be disclosed.

**XI. Approval of the financial statements**

The financial statements were approved by the board of directors on 16 July 2020.

*The accompanying notes are an integral part of the standalone financial statements*

*As per our report of even date*

**For Mukesh Raj & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016693N

  
per Mukesh Goel

Partner

Membership No. : 094837



Place: New Delhi

Date: September 21, 2021

For and on behalf of

**OYO Hotel Management (Shanghai) Co., Ltd.**

  
Rakesh Kumar

Authorized signatory

Place: Gurugram

Date: September 21, 2021