

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

To the members / Management / Board of Directors

### **OYO Hospitality UK Ltd..**

We have audited the accompanying Special purpose unconsolidated financial Statements of **OYO Hospitality UK Ltd.** ("the Company") comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together herein referred to as "Special Purpose Unconsolidated Financial Statements" or "financial statements" or "Unconsolidated 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 Unconsolidated Financial Statements are in compliance with the basis of preparation explained in Note 2 of the financial statements including Basis for Opinion paragraph below.

### **Basis for Opinion**

The underlying unconsolidated Financial Statements of the Company for the financial year ended March 31, 2021 has been prepared in accordance with IFRS 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 UK 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 Unconsolidated 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 Unconsolidated 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 Unconsolidated 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: 21094837AAAAJE3184**



**Place: Delhi**

**Date: September 21, 2021**

**OYO Hospitality UK Ltd.**  
**Balance sheet as at 31 March 2021**  
**(All amounts in INR million, unless otherwise stated)**

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	9	6,429.22	6,429.22
Loans	10	16,465.17	16,452.55
		<b>22,894.39</b>	<b>22,881.77</b>
<b>Current assets</b>			
Trade Receivables	11	219.30	198.87
Other assets	12	10.36	375.93
Cash and cash equivalents	13	7,692.92	2,042.75
		<b>7,922.58</b>	<b>2,617.55</b>
<b>Total assets</b>		<b>30,816.97</b>	<b>25,499.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	14	12,301.09	6,481.49
Share application money pending allotment	14	1,984.69	348.58
Capital Contribution		940.68	54.68
Other equity	14(b)	(4,472.31)	(869.40)
		<b>10,754.15</b>	<b>6,015.35</b>
<b>LIABILITIES</b>			
<b>Non Current liabilities</b>			
Borrowings	15	7,258.10	18,967.06
<b>Current liabilities</b>			
Borrowings	15(a)	12,198.95	-
Trade and other payables	16	605.77	516.91
<b>Total liabilities</b>		<b>20,062.82</b>	<b>19,483.97</b>
<b>Total equity and liabilities</b>		<b>30,816.97</b>	<b>25,499.32</b>

The accompanying notes are an integral part of the 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 Hospitality UK Ltd.

Rakesh Kumar  
Director

Place: Gurugram  
Date: September 21, 2021



OYO Hospitality UK Ltd.

Statement of profit and loss for the year ended 31 March 2021  
(All amounts in INR million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>REVENUE</b>			
Revenue from operations	3	-	-
Other income	4	392.54	237.24
<b>Total revenue (I)</b>		<b>392.54</b>	<b>237.24</b>
<b>EXPENSES</b>			
Operating expenses	5	-	-
Finance cost	6	4,273.04	812.74
Other expenses	7	144.07	161.25
<b>Total expenses (II)</b>		<b>4,417.11</b>	<b>973.99</b>
<b>Loss before tax (III)=(I-II)</b>		<b>(4,024.57)</b>	<b>(736.75)</b>
<b>Total expense:</b>			
Current tax		-	-
Deferred tax credit		-	-
<b>Total tax expense (IV)</b>		<b>-</b>	<b>-</b>
<b>Loss for the year after tax (V) = (III-IV)</b>		<b>(4,024.57)</b>	<b>(736.75)</b>
<b>Other Comprehensive Income (VI)</b>	8	421.66	(75.61)
<b>Total comprehensive loss of the year, net of tax (VII) = (V+VI)</b>		<b>(3,602.91)</b>	<b>(812.36)</b>

The accompanying notes are an integral part of the 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 Hospitality UK Ltd.

Rakesh Kumar  
Director

Place: Gurugram

Date: September 21, 2021



OYO Hospitality UK Ltd.  
Cash flow statement for the year ended 31 March 2021  
(All amounts in INR million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Operating activities</b>		
Loss before tax	(4,024.57)	(736.75)
Non-cash adjustment to reconcile loss before tax to net cash flows		
Finance cost	4,273.04	812.74
Movements in working capital :		
(Decrease) / increase in trade receivables other current financial assets	332.53	(16,867.75)
Increase in trade payables	88.86	487.12
Net cash used in operating activities (A)	669.86	(16,304.64)
<b>Investing activities</b>		
Investment in subsidiaries	-	(5,415.61)
Net cash flow used in investing activities (B)	-	(5,415.61)
<b>Financing activities</b>		
Borrowings	489.99	18,967.06
Interest on borrowings	(4,273.04)	(812.74)
Proceeds from the issue of ordinary shares	5,471.02	5,227.67
Proceeds from Corporate guarantee cost	886.00	54.68
Proceeds from share capital to be issued	1,984.69	348.58
Foreign exchange movement in financing activities (net)	421.66	(75.61)
Net cash flow from financing activities (C)	4,980.32	23,709.64
Net increase in cash and cash equivalents	5,650.17	1,989.39
Cash and cash equivalents at the beginning of the year	2,042.75	53.36
Cash and cash equivalents at the end of the year	7,692.92	2,042.75
<b>Components of cash and cash equivalents</b>		
Cash on hand		
Balances with banks	7,692.92	2,042.75
Total cash and cash equivalents (refer note 13)	7,692.92	2,042.75

The accompanying notes are an integral part of the 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 Hospitality UK Ltd.

Rakesh Kumar  
Director

Place: Gurugram

Date: September 21, 2021

**OYO Hospitality UK Ltd.**  
**Statement of changes in equity for the year ended 31 March 2021**  
**(All amounts in INR million, unless otherwise stated)**

	Share Capital	Shares application money pending for allotment	Capital Contribution	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
<b>At 1 April 2019</b>	1.31	1,252.51	-	(28.58)	(28.46)	1,196.78
Share issued during the period	6,480.18	(1,252.51)	-	-	-	5,227.67
Shares to be issued	-	348.58	-	-	-	348.58
Corporate guarantee cost	-	-	54.68	-	-	54.68
Loss for the year	-	-	-	(736.75)	-	(736.75)
Foreign Currency Translation Reserve	-	-	-	-	(75.61)	(75.61)
<b>At 31 March 2020</b>	<b>6,481.49</b>	<b>348.58</b>	<b>54.68</b>	<b>(765.33)</b>	<b>(104.07)</b>	<b>6,015.35</b>
Share issued during the period	5,819.60	(348.58)	-	-	-	5,471.02
Shares to be issued	-	1,984.69	-	-	-	1,984.69
Corporate guarantee cost	-	-	886.00	-	-	886.00
Loss for the year	-	-	-	(4,024.57)	-	(4,024.57)
Foreign Currency Translation Reserve	-	-	-	-	421.66	421.66
<b>At 31 March 2021</b>	<b>12,301.09</b>	<b>1,984.69</b>	<b>940.68</b>	<b>(4,789.90)</b>	<b>317.59</b>	<b>10,754.15</b>

The accompanying notes are an integral part of the 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 Hospitality UK Ltd.**

**Rakesh Kumar**  
Director

Place: Gurugram  
Date: **September 21, 2021**

OYO Hospitality UK Ltd.  
Notes to financial statements for the year ended on 31 March 2021  
(All amounts in INR million, unless otherwise stated)

3. Revenue from contracts with customers

	For the year ended 31 March 2021	For the year ended 31 March 2020
Disaggregated revenue information		
Type of services		
Sale of accommodation services	-	-
Total revenue from contracts with customers	-	-
Geographical markets		
United Kingdom	-	-
Total revenue from contracts with customers	-	-
Timing of revenue recognition		
Goods and services transferred at a point in time	-	-
Total revenue from contracts with customers	-	-

4. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	8.29	24.09
Interest income on loan to group companies	384.25	213.15
	392.54	237.24

5. Operating expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cost of revenue	-	-
Loss from bookings	-	-
	-	-

6. Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on Borrowings	3,380.22	758.06
Other Finance charge	6.82	-
Corporate guarantee cost	886.00	54.68
	4,273.04	812.74





**OYO Hospitality UK Ltd.**  
**Notes to financial statements for the year ended on 31 March 2021**  
**(All amounts in INR million, unless otherwise stated)**

**7. Other expenses**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Management fees	97.64	-
Auditors remuneration for audit fees	0.65	-
Bank charges	0.22	0.93
Legal and professional fee	2.58	71.36
Exchange Loss/ (Gain)	42.98	88.96
	<u>144.07</u>	<u>161.25</u>

There is no staff cost. Further, remuneration paid to the directors by the Company is nil. The directors are also directors of other companies in the enlarged group of which the company is a member. They are remunerated by other group companies and are considered to have minimal qualifying services in respect of the Company.

**8. Components of Other Comprehensive Income**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurement gains/ (losses) on exchange differences on translation of foreign operations	(317.59)	104.07
	<u>(317.59)</u>	<u>104.07</u>



9. Investments in subsidiaries

				As at 31 March 2021	As at 31 March 2020
Non-trade, Unquoted investments (valued at cost)					
Company	Percentage of shares held	Country of incorporation	Principal activity		
Ordinary shares in OYO Rooms and Hospitality UK Ltd	100%	UK	Hospitality	4,887.83	4,887.83
Preference shares in OYO Rooms and Hospitality UK Ltd	100%	UK	Hospitality	1,480.39	1,480.39
Oravel Hotels Mexico S De Ri De Cv	100%	North America	Hospitality	0.10	0.10
OYO Technology and Hospitality Japan KK	66%	Japan	Hospitality	1.22	1.22
OYO Hotels Japan GK	50%	Japan	Hospitality	59.68	59.68
Total				6,429.22	6,429.22

10. Loans

	As at 31 March 2021	As at 31 March 2020
Loans to Group Undertakings	16,036.73	16,309.73
Interest Receivable on loan to related parties	428.44	142.82
	16,465.17	16,452.55

Interest, security and maturity is governed by agreements entered into with respective group undertakings in accordance with prevailing arms length principles.

11. Trade Receivables

	As at 31 March 2021	As at 31 March 2020
Receivables from third-party customers	0.21	-
Receivables from related parties (Refer Note 17)	219.09	198.87
Total	219.30	198.87

Terms and conditions of the above financial assets:

All outstanding balances are unsecured and settled in cash, which are settled on receipt or provision of service by the parties. These are unsecured, non-interest bearing and not covered by any guarantee.

12. Other current asset

	As at 31 March 2021	As at 31 March 2020
Withholding Tax recoverable	10.04	-
Prepaid expense	0.18	375.93
FDR Interest Receivable	0.14	-
	10.36	375.93

13. Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Cash at bank	4,397.30	2,042.75
Fixed Deposit	3,295.62	-
Total	7,692.92	2,042.75



**OYO Hospitality UK Ltd.**  
**Notes to financial statements for the year ended on 31 March 2021**  
**(All amounts in INR million, unless otherwise stated)**

**14. Share capital**

	As at 31 March 2021	As at 31 March 2020
<b>Ordinary Shares</b>		
Shares of GBP 1 each	12,301.09	6,481.49
	<b>12,301.09</b>	<b>6,481.49</b>

**(i) Terms/rights attached to equity shares**

60,962,063 shares were issued to Oravel Stays Singapore PTE LTD. during the period for no premium. The Company has only one class of shares having a par value of GBP 1 per share. Each holder of equity shares is entitled to one vote per share and equal rights in distribution of profit/surplus proportionate to the share held by the shareholder. In the event of liquidation of the Company, the holders of shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

**(ii) Share Capital to be issued**

21,505,667 (3,891,000 as on 31 March 2020) shares are to be issued to Oravel Stays Singapore PTE LTD as on 31 March 2021.

**14(a). Share application money pending allotment**

	As at 31 March 2021	As at 31 March 2020
<b>Share capital to be issued to:</b>		
Oravel Stays Singapore Pte Ltd	1,984.69	348.58
	<b>1,984.69</b>	<b>348.58</b>

**14(b). Other equity**

	As at 31 March 2021	As at 31 March 2020
Retained Earnings (A)	(4,789.90)	(765.33)
Foreign currency translation reserve (FCTR) (B)	317.59	(104.07)
<b>Total (A+B)</b>	<b>(4,472.31)</b>	<b>(869.40)</b>

**(A) Retained Earnings**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of year	(765.33)	(28.58)
Loss for the year	(4,024.57)	(736.75)
Balance at the end of year	<b>(4,789.90)</b>	<b>(765.33)</b>

**(B) Foreign currency translation reserve (FCTR)**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of year	(104.07)	(28.46)
FCTR for the year	421.66	(75.61)
Balance at the end of year	<b>317.59</b>	<b>(104.07)</b>





**OYO Hospitality UK Ltd.****Notes to financial statements for the year ended on 31 March 2021****(All amounts in INR million, unless otherwise stated)****15. Borrowings**

	As at 31 March 2021	As at 31 March 2020
Other long term loans	-	15,814.94
Loan from related party	7,258.10	3,152.12
	<b>7,258.10</b>	<b>18,967.06</b>

The loan is repayable as per dates mentioned in respective loan agreements and interest is calculated in accordance with prevailing arm's length principles.

**15(a). Borrowings**

	As at 31 March 2021	As at 31 March 2020
Other short term loans	12,198.95	-
	<b>12,198.95</b>	<b>-</b>

**16. Trade and other payables**

	As at 31 March 2021	As at 31 March 2020
Related parties (Refer Note 17)	156.44	50.68
Interest Payable	443.81	460.70
Interest payable on loan from related parties	1.88	2.76
Accruals	2.65	1.84
Other payables	0.99	0.93
	<b>605.77</b>	<b>516.91</b>

Trade and other payables to third parties are non-bearing interest and are generally on a 14-30 days' term.  
Trade payables to related parties are unsecured, interest-free and are repayable on demand.



**OYO Hospitality UK Ltd.**

Notes to financial statements for the year ended on 31 March 2021

(All amounts in INR million, unless otherwise stated)

**17. Related party disclosures**

In the normal course of business, the Company transacts with companies, which are considered related parties under IAS 24, "Related Party Disclosures".

**a) Names of related parties and related party relationship**  
(with whom transactions have taken place)

Ultimate Holding Company  
Holding Company

Oravel Stays Private Limited  
Oravel Stays Singapore Pte Ltd.

Subsidiaries, Fellow Subsidiaries and step-down subsidiaries

OYO Rooms Hospitality Sdn. Bhd.  
OYO Technology And Hospitality China Pte Ltd.  
OYO Technology And Hospitality (UK) Limited  
OYO Technology And Hospitality (Thailand) Ltd  
OYO Rooms And Hospitality UK Limited  
OYO Hotels (Singapore) Pte. Ltd.  
OYO Hotels Netherlands B.V.  
OYO Hotels LLC  
OYO Rooms & Technology LLC  
Oravel Hotels Mexico S. De R.L. De C.V.  
OYO Brazil Servicos De Turismo Ltda  
OYO Technology & Hospitality (Vietnam) LLC  
OYO Hospitality Netherlands BV  
OYO Vacation Homes UK Ltd  
Oravel Stays Private Limited  
OYO Technology & Hospitality Japan KK  
OYO Hotels Japan GK  
OYO Hotels and Homes Pvt. Ltd.  
OYO Apartments Investments LLP  
OYO MYPREFERRED UK LTD  
OYO Technologies & Hospitality (UK) Ltd

Key Management Personnel

Mr. Ritesh Agarwal Resigned on 7 September 2021  
Mr. Rishabh Kumar Resigned on 7 September 2021  
Mr. James Joseph Fyfe Resigned on 24 September 2021  
Mr. Ayush Mathur Appointed on 7 September 2021  
Mr. Rakesh Kumar Appointed on 7 September 2021

**b) Related party transactions:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Ordinary Shares allotted during the period</b>		
Oravel Stays Singapore Pte Ltd.	5,819.60	6,480.18
	<b>5,819.60</b>	<b>6,480.18</b>
<b>Share application money pending allotment</b>		
Oravel Stays Singapore Pte Ltd.	1,984.69	348.58
	<b>1,984.69</b>	<b>348.58</b>
<b>Investment made during the period</b>		
Oyo Technology & Hospitality Japan KK	-	-
Oyo Rooms And Hospitality Uk Ltd-Ordinary Shares	-	4,616.08
Oyo Rooms And Hospitality Uk Ltd- Preference Shares	-	801.02
Oyo Hotels Japan GK	-	-
Oravel Hotels Mexico S De RI De Cv	-	0.10
	-	<b>5,417.20</b>



**OYO Hospitality UK Ltd.**

Notes to financial statements for the year ended on 31 March 2021

(All amounts in INR million, unless otherwise stated)

**Expenses incurred by related party on behalf of Company**

Oravel Stays Singapore Pte Ltd	0.81	50.07
OYO Technology And Hospitality (UK) Limited	0.01	3.27
	<b>0.82</b>	<b>53.34</b>

**Service taken from:**

Oravel Stays Private Limited	14.81	-
OYO Hotels and Homes Pvt. Ltd.	80.99	-
OYO Apartments Investments LLP	1.84	-
	<b>97.64</b>	<b>-</b>

**Loan granted during the period**

Oravel Hotels Mexico S. De R.L. De C.V.	-	1,762.28
Oravel Stays Singapore Pte Ltd	-	10,382.63
Oyo Brazil Servicios De Turismo Ltda	-	743.51
Oyo Hospitality Netherlands Bv	-	482.47
Oyo Hotels (Singapore) Pte. Ltd.	-	1,471.69
Oyo Hotels LLC	-	5,634.38
Oyo Hotels Netherlands Bv	-	115.26
Oyo Rooms & Technology LLC	-	223.05
Oyo Rooms And Hospitality Uk Limited	-	1.64
Oyo Rooms Hospitality Sdn Bhd	-	641.28
Oyo Technology & Hospitality (Uk) Ltd	-	672.60
Oyo Technology & Hospitality (Vietnam)	-	148.70
Oyo Technology And Hospitality (China) Pte Ltd	1,393.79	6,768.92
Oyo Technology And Hospitality (Thailand) Co., Ltd.	-	322.19
OYO Technology&Hospitality Japan KK	1,473.09	0.01
	<b>2,866.88</b>	<b>29,370.61</b>

**Borrowed/repaid during the period**

OYO MyPreferred Uk Ltd	5,866.22	-
Oravel Stays Singapore Pte Ltd	(2,048.02)	3,152.12
	<b>3,818.20</b>	<b>3,152.12</b>

**Loan Repaid/Forex Impact on Loan during the period**

Oyo Hospitality Netherlands Bv	28.84	213.89
Oyo hotels LLC	380.66	2,136.31
Oravel Stays Singapore Pte Ltd	62.20	10,325.78
OYO Hotels (Singapore) Pte. Ltd.	1,188.51	385.35
Oravel Hotels Mexico S. De R.L. De C.V.	1,928.04	-
Oyo Brazil Servicios De Turismo Ltda	813.44	-
OYO Hotels Netherlands B.V.	5.61	-
OYO Rooms & Technology LLC	24.05	-
Oyo Rooms And Hospitality Uk Limited	1.79	-
Oyo Rooms Hospitality Sdn Bhd	69.14	-
Oyo Technology & Hospitality (Uk) Ltd	100.22	-
OYO Technology & Hospitality (Vietnam) LLC	16.03	-
OYO Technology And Hospitality (Thailand) Ltd	34.74	-
	<b>4,653.27</b>	<b>13,061.33</b>

**Interest income on loan granted**

Oravel Hotels Mexico S. De R.L. de C.V.	29.84	17.47
OYO Brazil Servicios De Turismo Ltda	9.84	10.94
Oyo Hospitality Netherlands Bv	-	2.25
Oyo hotels LLC	119.18	37.44
Oyo Hotels Netherlands Bv	-	1.11
OYO Rooms & Technology LLC	5.10	1.86
Oyo Rooms And Hospitality Uk Limited	-	0.90
Oyo Technology & Hospitality (Uk) Ltd	14.86	7.76
Oyo Vacation Homes Uk Ltd	-	0.11
Oravel Stays Singapore Pte Ltd	-	58.90
OYO Rooms I Hospitality SDN BHD	13.34	4.67
Oyo Technology & Hospitality (Vietnam)	2.79	1.21
Oyo Technology And Hospitality (China) Pte Ltd	184.14	56.23
OYO Technology And Hospitality (Thailand) Co., Ltd.	5.17	3.07
OYO Hotels (Singapore) Pte. Ltd.	-	9.48
	<b>384.26</b>	<b>213.40</b>





**OYO Hospitality UK Ltd.**
**Notes to financial statements for the year ended on 31 March 2021**
**(All amounts in INR million, unless otherwise stated)**
**Interest received on loan granted**

Oyo Hospitality Netherlands Bv	-	0.11
Oyo hotels LLC	-	3.70
Oravel Stays Singapore Pte Ltd	-	58.59
OYO Hotels (Singapore) Pte. Ltd.	-	6.13
Oyo Rooms And Hospitality Uk Limited	-	0.90
Oravel Hotels Mexico S. De R.L. de C.V.	47.31	-
OYO Brazil Servicos De Turismo Ltda	20.78	-
	<b>68.09</b>	<b>69.43</b>
<b>Interest expense on borrowings</b>		
Oravel Stays Singapore Pte Ltd	-	2.78
OYO MYPREFERRED UK LTD	1.88	-
	<b>1.88</b>	<b>2.78</b>

**c) Related party balances:**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Receivable from Group Companies</b>		
Oravel Hotels Mexico S. De R.L. De C.V.	15.25	13.96
Oyo Hotels LLC USA	51.42	47.06
Oyo Brazil Servicos De Turismo Ltda	18.45	16.88
Oyo Rooms And Hospitality UK Limited	2.01	1.14
Oyo Technology & Hospitality (UK) Ltd	113.84	103.79
Oyo Hotels Japan GK	17.53	16.04
	<b>218.50</b>	<b>198.87</b>
<b>Payable to Group Companies</b>		
Oravel Stays Singapore Pte Ltd	60.24	50.68
Oravel Stays Private Limited	14.59	-
OYO Hotels and Homes Pvt. Ltd.	79.80	-
OYO Apartments Investments LLP	1.81	-
	<b>156.44</b>	<b>50.68</b>
<b>Loan granted</b>		
Oravel Hotels Mexico S. De R.L. De C.V.	-	1,762.28
Oravel Stays Singapore Pte Ltd	-	56.86
Oyo Brazil Servicos De Turismo Ltda	-	743.51
Oyo Hospitality Netherlands Bv	264.67	268.58
Oyo Hotels (Singapore) Pte. Ltd.	-	1,086.34
Oyo Hotels Llc	3,442.10	3,498.07
Oyo Hotels Netherlands Bv	120.35	115.26
Oyo Rooms & Technology LLC	219.71	223.05
Oyo Rooms And Hospitality Uk Limited	-	1.64
Oyo Rooms Hospitality Sdn Bhd	631.66	641.28
Oyo Technology & Hospitality (UK) Ltd	634.85	672.60
Oyo Technology & Hospitality (Vietnam)	146.47	148.70
Oyo Technology And Hospitality (China) Pte Ltd	8,788.33	6,768.92
Oyo Technology And Hospitality (Thailand) Co., Ltd.	317.36	322.19
OYO Technology&Hospitality Japan KK	1,471.25	0.01
	<b>16,036.75</b>	<b>16,309.29</b>
<b>Borrowings</b>		
Oravel Stays Singapore Pte Ltd	1,399.21	3,152.12
OYO MYPREFERRED UK LTD	5,858.89	-
	<b>7,258.10</b>	<b>3,152.12</b>



**OYO Hospitality UK Ltd.****Notes to financial statements for the year ended on 31 March 2021****(All amounts in INR million, unless otherwise stated)****Interest accrued but not due**

Oravel Hotels Mexico S. De R.L. De C.V.	-	17.37
Oravel Stays Singapore Pte Ltd	-	0.31
Oyo Brazil Servicos De Turismo Ltda	-	10.88
Oyo Hospitality Netherlands Bv	-	2.12
Oyo Hotels (Singapore) Pte. Ltd.	-	3.34
Oyo Hotels LLC	155.68	33.54
Oyo Hotels Netherlands Bv	-	1.11
Oyo Rooms & Technology LLC	7.12	1.85
Oyo Rooms And Hospitality Uk Limited	-	-
Oyo Rooms Hospitality Sdn Bhd	18.40	4.64
Oyo Technology & Hospitality (UK) Ltd	23.30	7.72
Oyo Technology & Hospitality (Vietnam)	4.10	1.21
Oyo Technology And Hospitality (China) Pte Ltd	211.53	55.91
Oyo Technology And Hospitality (Thailand) Co., Ltd.	8.31	3.06
Oyo Vacation Homes UK Ltd	-	0.11
Oyo Hotels Japan GK	-	-

**Interest accrued on borrowings but not due**

Oravel Stays Singapore Pte Ltd	-	3.07
OYO MyPreferred Uk Ltd	0.19	-
	<b>0.19</b>	<b>3.07</b>

**Terms and conditions**

Goods and services were sold to the related parties during the period based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties.

All outstanding balances are unsecured and settled in cash, which are settled on receipt or provision of service by the parties. These are unsecured, non-interest bearing and not covered by any guarantee.



**OYO Hospitality UK Ltd.**

Notes to financial statements for the year ended on 31 March 2021

**Expenses incurred by related party on behalf of Company**

Oravel Stays Singapore Pte Ltd	0.81	50.07
OYO Technology And Hospitality (UK) Limited	0.01	3.27
	<b>0.82</b>	<b>53.34</b>

**Service taken from:**

Oravel Stays Private Limited	14.81	-
OYO Hotels and Homes Pvt. Ltd.	80.99	-
OYO Apartments Investments LLP	1.84	-
	<b>97.64</b>	<b>-</b>

**Loan granted during the period**

Oravel Hotels Mexico S. De R.L. De C.V.	-	1,762.28
Oravel Stays Singapore Pte Ltd	-	10,382.63
Oyo Brazil Servicos De Turismo Ltda	-	743.51
Oyo Hospitality Netherlands Bv	-	482.47
Oyo Hotels (Singapore) Pte. Ltd.	-	1,471.69
Oyo Hotels LLC	-	5,634.38
Oyo Hotels Netherlands Bv	-	115.26
Oyo Rooms & Technology LLC	-	223.05
Oyo Rooms And Hospitality Uk Limited	-	1.64
Oyo Rooms Hospitality Sdn Bhd	-	641.28
Oyo Technology & Hospitality (Uk) Ltd	-	672.60
Oyo Technology & Hospitality (Vietnam)	-	148.70
Oyo Technology And Hospitality (China) Pte Ltd	1,393.79	6,768.92
Oyo Technology And Hospitality (Thailand) Co., Ltd.	-	322.19
OYO Technology&Hospitality Japan KK	1,473.09	0.01
	<b>2,866.88</b>	<b>29,370.61</b>

**Borrowed/repaid during the period**

OYO MyPreferred Uk Ltd	5,866.22	-
Oravel Stays Singapore Pte Ltd	(2,048.02)	3,152.49
	<b>3,818.20</b>	<b>3,152.49</b>





**OYO Hospitality UK Ltd.**  
**Notes to financial statements for the year ended on 31 March 2021**

**b) Related party transactions:**

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Ordinary Shares allotted during the period</b>		
Oravel Stays Singapore Pte Ltd.	5,819.60	6,480.18
	<u>5,819.60</u>	<u>6,480.18</u>
<b>Share application money pending allotment</b>		
Oravel Stays Singapore Pte Ltd.	1,984.69	348.58
	<u>1,984.69</u>	<u>348.58</u>
<b>Investment made during the period</b>		
Oyo Technology & Hospitality Japan KK	-	-
Oyo Rooms And Hospitality Uk Ltd-Ordinary Shares	-	4,616.08
Oyo Rooms And Hospitality Uk Ltd- Preference Shares	-	801.02
Oyo Hotels Japan GK	-	-
Oravel Hotels Mexico S.De RI De Cv	-	0.10
	<u>-</u>	<u>5,417.20</u>



**OYO Hospitality UK Ltd.**

Notes to financial statements for the year ended on 31 March 2021

<b>Loan Repaid/Forex Impact on Loan during the period</b>		
Oyo Hospitality Netherlands Bv	28.84	213.89
Oyo hotels LLC	380.66	2,136.31
Oravel Stays Singapore Pte Ltd	62.20	10,325.78
OYO Hotels (Singapore) Pte. Ltd.	1,188.51	385.35
Oravel Hotels Mexico S. De R.L. De C.V.	1,928.04	-
Oyo Brazil Servicios De Turismo Ltda	813.44	-
OYO Hotels Netherlands B.V.	5.61	-
OYO Rooms & Technology LLC	24.05	-
Oyo Rooms And Hospitality Uk Limited	1.79	-
Oyo Rooms Hospitality Sdn Bhd	69.14	-
Oyo Technology & Hospitality (Uk) Ltd	100.22	-
OYO Technology & Hospitality (Vietnam) LLC	16.03	-
OYO Technology And Hospitality (Thailand) Ltd	34.74	-
	<b>4,653.27</b>	<b>13,061.33</b>
<b>Interest income on loan granted</b>		
Oravel Hotels Mexico S. De R.L. de C.V.	29.84	17.47
OYO Brazil Servicios De Turismo Ltda	9.84	10.94
Oyo Hospitality Netherlands Bv	-	2.25
Oyo hotels LLC	119.18	37.44
Oyo Hotels Netherlands Bv	-	1.11
OYO Rooms & Technology LLC	5.10	1.86
Oyo Rooms And Hospitality Uk Limited	-	0.90
Oyo Technology & Hospitality (Uk) Ltd	14.86	7.76
Oyo Vacation Homes Uk Ltd	-	0.11
Oravel Stays Singapore Pte Ltd	-	58.90
OYO Rooms Hospitality SDN BHD	13.34	4.67
Oyo Technology & Hospitality (Vietnam)	2.79	1.21
Oyo Technology And Hospitality (China) Pte Ltd	184.14	56.23
OYO Technology and Hospitality (Thailand) Co., Ltd.	5.17	3.07
OYO Hotels (Singapore) Pte. Ltd.	-	9.48
	<b>384.26</b>	<b>213.40</b>
<b>Interest received on loan granted</b>		
Oyo Hospitality Netherlands Bv	-	0.11
Oyo hotels LLC	-	-3.70
Oravel Stays Singapore Pte Ltd	-	58.59
OYO Hotels (Singapore) Pte. Ltd.	-	6.13
Oyo Rooms And Hospitality Uk Limited	-	0.90
Oravel Hotels Mexico S. De R.L. de C.V.	47.31	-
OYO Brazil Servicios De Turismo Ltda	20.78	-
	<b>68.09</b>	<b>69.43</b>
<b>Interest expense on borrowings</b>		
Oravel Stays Singapore Pte Ltd	-	3.09
OYO MYPREFERRED UK LTD	1.88	-
	<b>1.88</b>	<b>3.09</b>



**OYO Hospitality UK Ltd.**

**Notes to financial statements for the year ended on 31 March 2021**

**c) Related party balances:**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
<b>Receivable from Group Companies</b>		
Oravel Hotels Mexico S. De R.L. De C.V.	15.25	13.96
Oyo Hotels LLC USA	51.42	47.06
Oyo Brazil Servicios De Turismo Ltda	18.45	16.88
Oyo Rooms And Hospitality UK Limited	2.01	1.14
Oyo Technology & Hospitality (UK) Ltd	113.84	104.25
Oyo Hotels Japan GK	17.53	16.04
	<b>218.50</b>	<b>199.33</b>
<b>Payable to Group Companies</b>		
Oravel Stays Singapore Pte Ltd	60.24	51.09
Oravel Stays Private Limited	14.59	-
OYO Hotels and Homes Pvt. Ltd.	79.80	-
OYO Apartments Investments LLP	1.81	-
	<b>156.44</b>	<b>51.09</b>
<b>Loan granted</b>		
Oravel Hotels Mexico S. De R.L. De C.V.	-	1,762.28
Oravel Stays Singapore Pte Ltd	-	56.86
Oyo Brazil Servicios De Turismo Ltda	-	743.51
Oyo Hospitality Netherlands Bv	264.67	268.58
Oyo Hotels (Singapore) Pte. Ltd.	-	1,086.34
Oyo Hotels Llc	3,442.10	3,498.07
Oyo Hotels Netherlands Bv	120.35	115.26
Oyo Rooms & Technology LLC	219.71	223.05
Oyo Rooms And Hospitality Uk Limited	-	1.64
Oyo Rooms Hospitality Sdn Bhd	631.66	641.28
Oyo Technology & Hospitality (UK) Ltd	634.85	672.60
Oyo Technology & Hospitality (Vietnam)	146.47	148.70
Oyo Technology And Hospitality (China) Pte Ltd	8,788.33	6,768.92
Oyo Technology And Hospitality (Thailand) Co., Ltd.	317.36	322.19
OYO Technology&Hospitality Japan KK	1,471.25	0.01
	<b>16,036.75</b>	<b>16,309.29</b>
<b>Borrowings</b>		
Oravel Stays Singapore Pte Ltd	1,399.21	3,152.49
OYO MYPREFERRED UK LTD	5,858.89	-
	<b>7,258.10</b>	<b>3,152.49</b>





**OYO Hospitality UK Ltd.**  
**Notes to financial statements for the year ended on 31 March 2021**

**Interest accrued but not due**

Oravel Hotels Mexico S. De R.L. De C.V.	-	17.37
Oravel Stays Singapore Pte Ltd	-	0.31
Oyo Brazil Servicos De Turismo Ltda	-	10.88
Oyo Hospitality Netherlands Bv	-	2.12
Oyo Hotels (Singapore) Pte. Ltd.	-	3.34
Oyo Hotels LLC	155.68	33.54
Oyo Hotels Netherlands Bv	-	1.11
Oyo Rooms & Technology LLC	7.12	1.85
Oyo Rooms And Hospitality Uk Limited	-	-
Oyo Rooms Hospitality Sdn Bhd	18.40	4.64
Oyo Technology & Hospitality (UK) Ltd	23.30	7.72
Oyo Technology & Hospitality (Vietnam)	4.10	1.21
Oyo Technology And Hospitality (China) Pte Ltd	211.53	55.91
Oyo Technology And Hospitality (Thailand) Co., Ltd.	8.31	3.06
Oyo Vacation Homes UK Ltd	-	0.11
Oyo Hotels Japan GK	-	-
	<b>428.44</b>	<b>143.17</b>

**Interest accrued on borrowings but not due**

Oravel Stays Singapore Pte Ltd	-	3.07
OYO MyPreferred Uk Ltd	0.19	-
	<b>0.19</b>	<b>3.07</b>

**Terms and conditions**

Goods and services were sold to the related parties during the period based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties.

All outstanding balances are unsecured and settled in cash, which are settled on receipt or provision of service by the parties. These are unsecured, non-interest bearing and not covered by any guarantee.



## 18. Financial Risk Management

### A. Financial risk management objectives and policies

The entity's principal financial liabilities majorly comprises of borrowings and trade payables. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The entity's principal financial assets include trade and other receivables and cash and short-term deposits that derive directly from its operations.

The entity is exposed to market risk, credit risk and liquidity risk. The entity's senior management oversees the management of these risks. The entity's senior management is responsible for ensuring that the entity's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the entity's policy that no trading in derivatives for speculative purposes may be undertaken. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables and trade receivables.

#### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to interest rate arises primarily from cash and cash equivalents. A change in interest rates at the reporting date would not affect significantly on profit or loss and equity.

#### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The entity's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. At 31 March 2020, foreign currency exposure is not hedged by a derivative instrument.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in INR, SGD and USD exchange rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of monetary assets and liabilities.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

#### Cash and cash equivalents

Credit risk from balances with banks is managed by the entity's treasury department in accordance with the entity's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the entity's top management on an annual basis, and may be updated throughout the period subject to approval of the entity Authorities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



#### Liquidity risk

The entity monitors its risk of a shortage of funds via liquidity planning exercise.

The entity's objective is to maintain a balance between continuity of funding and flexibility through the use of short term and long term loans and borrowings. The entity's treasury function reviews the liquidity position on an ongoing basis. The entity assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The entity has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments.

	On Demand	0 to 1 year	More than 1 year	Total
<b>As at 31 March 2021</b>				
Trade and other payables	3.64	-	-	3.64
Related parties	-	156.44	-	156.44
Loans (Internal)	-	1.88	7,258.10	7,259.98
Loans (External)	-	443.81	-	443.81
	3.64	602.13	7,258.10	7,863.87
<b>As at 31 March 2020</b>				
Trade and other payables	2.77	-	-	2.77
Related parties	-	50.68	-	50.68
Loans (Internal)	-	2.76	3,152.12	3,154.88
Loans (External)	-	460.70	15,814.94	16,275.64
	2.77	514.14	18,967.06	19,483.97

#### B. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares or raise borrowings.

#### C. Fair value of financial assets and financial liabilities

##### a. Classification

	As at 31 March 2021	As at 31 March 2020
<b>Financial assets</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Non Current assets</b>		
Loans	16,465.17	16,452.55
<b>Current assets</b>		
Cash and cash equivalents	7,692.92	2,042.75
Trade Receivables	219.30	198.87
Other current asset	10.36	375.93
<b>Total financial assets</b>	<b>24,387.74</b>	<b>19,070.11</b>
<b>Financial Liabilities</b>		
Borrowings	7,258.10	18,967.06
Trade and other payables	605.77	516.91
<b>Total financial liabilities</b>	<b>7,863.87</b>	<b>19,483.97</b>

##### b. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between parties in an arm's length transaction.

The Company determined the fair value measurement for disclosure purposes of each class of financial assets and financial liabilities based on the following methods and assumptions:

Receivables/Payables are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.





## 19. Key accounting estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Critical accounting estimates and assumptions

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

#### a) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

#### b) Impairment of investment in subsidiaries

The Company conducts impairment reviews of investment in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

#### c) Provisions

- A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### d) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost and securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime expected credit losses (ECL). For all other financial assets expected credit losses are measured at an amount equal to the 12 month expected credit losses, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

## 20. Controlling Party

Immediate Holding Company	Oravel Stays Singapore Pte Ltd.
Ultimate Holding Company	Oravel Stays Private Limited
Smallest and largest group for which group accounts are prepared that include the results of the company	Oravel Stays Private Limited
Group accounts publically available	No

The accompanying notes are an integral part of the financial statements  
As per our report of even date

For Mukesh Raj & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 016693N

per Mukesh Goel  
Partner

Place: New Delhi

Date: September 21, 2021



For and on behalf of  
OYO Hospitality UK Ltd.

Rakesh Kumar  
Director

Place: Gurugram

Date: September 21, 2021